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## NEWS RELEASE

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FOR RELEASE \_\_\_\_\_ April 22, 2013, 8:30 a.m.

Auditor of State David A. Vaudt today released a report on a special investigation of the Iowa Department of Transportation (DOT). The report covers the period January 29, 1994 through July 7, 2011. The special investigation was requested by the Director of DOT as a result of concerns regarding certain real estate transactions authorized by David Weigel, a former employee in the Property Management section of the Office of Right of Way.

Vaudt reported the special investigation identified \$581,122.75 of diverted collections, uncollected rent payments and improper disbursements. Vaudt reported it was not possible to determine if additional collections were diverted or if additional amounts were improperly disbursed because adequate records were not available from DOT.

The \$315,647.25 of diverted collections identified includes \$203,680.25 deposited to Mr. Weigel's personal bank account and \$100,000.00 deposited to the personal bank account of Grady Marx, a vendor to whom Mr. Weigel authorized payments from DOT.

The \$100,000.00 deposited to Mr. Marx's personal bank account and \$100,000.00 of the amount deposited to Mr. Weigel's personal bank account are related to a sale of excess DOT right of way property in Floyd County authorized by Mr. Weigel. The individuals who bought the property offered Mr. Weigel, as a representative of DOT, \$851,340.00 for the property. However, they issued payment for the property in 2 checks. A \$651,340.00 check was issued to DOT and a \$200,000.00 check was issued to Mr. Marx, who subsequently issued a \$100,000.00 check to Mr. Weigel.

Vaudt also reported Mr. Weigel received a net amount of \$45,000.00 in 2006 which was related to the sale of excess DOT right of way property he authorized. The individual who purchased the property issued 2 checks for the property on November 30, 2006. The individual stated he was instructed by Mr. Weigel to prepare 2 checks for the property, which were issued to Mr. Weigel and the DOT for \$55,000.00 and \$70,000.00, respectively. After depositing the \$55,000.00 check in his personal bank account, Mr. Weigel issued a \$10,000.00 check from the same account to an individual who had previously paid DOT \$10,000.00 as a deposit for the same property after he was awarded the sealed bid for it on October 4, 2006. The \$70,000.00 payment from the individual to whom DOT ultimately sold the property accounted for the remaining balance of the \$80,000.00 sealed bid amount.

In addition, Vaudt reported Mr. Weigel received a \$26,000.00 check in May 2007 which was related to the sale of excess DOT right of way property he authorized. The check was deposited to his personal bank account. According to the individual who purchased the property, he was required to pay Mr. Weigel for the rights to purchase the land from DOT. The individual also paid DOT \$50,000.00 for the property.

The amounts diverted to Mr. Weigel's personal bank account also includes a payment of \$16,680.25 from an individual who stated he had a crop sharing arrangement with DOT and he had been instructed to remit DOT's portion of the 2010 crop proceeds to "Weigel Properties." The remaining \$16,000.00 deposited to Mr. Weigel's personal bank account includes 4 checks from an individual who stated he had been renting 2 parcels of property from DOT for 10 years or more, but had not paid rent on either property. However, Vaudt reported the 4 checks identified in Mr. Weigel's personal bank account from this individual were described as "DOT Land Rent" or "Rent" in the memo portion of the checks.

Vaudt reported \$170,050.00 of rent was not collected for leases. Specifically, lease payments were not properly billed, were billed but cancelled or not collected or the payment was returned to the individual who remitted the payment. Of the uncollected lease payments identified, \$165,500.00 relates to leases administered by Mr. Weigel and \$4,550.00 relates to leases administered by Dennis Dobson, also a former employee in the Property Management section.

In addition, Vaudt reported the \$95,425.50 of improper disbursements identified include \$33,190.00 of payments issued for supplies used on property which was leased to the same individual with whom Mr. Weigel established an improper crop sharing arrangement. Mr. Weigel also authorized \$23,200.00 of payments to Stacie Walthers for mowing services. Vaudt reported Ms. Walthers stated during an interview with agents from the Division of Criminal Investigation (DCI) she gave most of the payments she received to Mr. Weigel. Because of DOT's policy prohibiting nepotism, Mr. Weigel was not able to hire his sons for mowing. Instead, he paid Ms. Walthers with the understanding his sons would do the mowing and she would pass the payments for the mowing on to Mr. Weigel.

In addition, Vaudt reported Mr. Weigel authorized payments of \$37,360.00 to Mr. Marx for mowing and other types of costs. The \$37,360.00 was paid to Mr. Marx in 8 separate payments issued between October 2, 2008 and October 20, 2010. Shortly after 2 of the payments were issued to Mr. Marx, he issued a check to Mr. Weigel for half of the amount he received from DOT. Mr. Marx also paid Mr. Weigel for approximately half of all the remaining amounts he received from DOT. Because it is apparent the checks Mr. Weigel received from Mr. Marx were to split proceeds from the checks issued by DOT, the \$37,360.00 issued to Mr. Marx by DOT is included in the improper disbursements identified.

The remaining improper disbursements identified were authorized by Mr. Dobson. The payments, made from April 2009 through October 2009, included mowing expenses and utilities for a house owned by DOT but occupied by an individual with whom Mr. Dobson was acquainted.

Vaudt reported the documentation available showed Mr. Dobson allowed the individual to move into the house without a rental or lease agreement, without management approval and without following established policies and procedures. Vaudt also reported DOT should have collected \$4,550.00 rent for the property, but rent payments from the individual were not found in DOT's accounting system.

In addition to the \$581,122.75 of diverted collections, uncollected rent payments and improper disbursements, Vaudt reported the following items were identified during the special investigation.

- Mr. Weigel authorized the sale of 5.82 acres of excess right of way property in Polk County to Mr. Marx for \$3,000.00, which was substantially less than the \$70,000.00 appraised value and a \$30,501.00 bid received from another party. Mr. Weigel also attempted to authorize the sale of 19.19 abutting acres of excess right of way property to Mr. Marx for \$2,000.00. However, DOT officials terminated both of these sales to Mr. Marx.
- 10 deposits (ranging from \$10,000.00 to \$39,800.00) totaling \$208,432.35 and 242 additional deposits totaling \$172,532.25 were identified in Mr. Weigel's personal bank account, but the source and purpose of the deposits could not be determined.

The report includes recommendations regarding DOT officials' fiduciary oversight responsibilities and recommendations to strengthen DOT's internal controls and overall operations, such as improving segregation of duties, performing a competitive bidding process for all contracts, establishing contracts for mowing and cash rent leases, and performing an independent review of all contracts. Vaudt also reported DOT has implemented several internal control improvements which provide additional assurance for real estate transactions.

In addition, Mr. Weigel is receiving IPERS benefits as a result of Social Security benefits he is receiving due to a disability. However, the Social Security Administration (SSA) has initiated an investigation regarding Mr. Weigel's eligibility for disability benefits, the report includes a recommendation IPERS monitor SSA's investigation to determine if any IPERS benefits should be recovered.

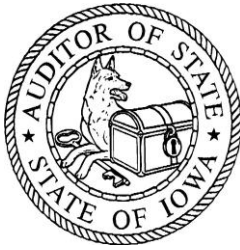
Copies of the report have been filed with the Polk County Attorney's Office, the Attorney General's Office and the Division of Criminal Investigation. A copy of the report is available for review on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1260-6450-BE00.pdf> and in the Office of Auditor of State.

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**SPECIAL INVESTIGATION OF THE  
IOWA DEPARTMENT OF TRANSPORTATION  
FOR THE PERIOD  
JANUARY 29, 1994 THROUGH JULY 7, 2011**

## Table of Contents

Auditor of State's Report		3-5
Investigative Summary:		
Background Information		7-10
Detailed Findings		10-57
Recommended Control Procedures		58-64
Exhibits:	<u>Exhibit</u>	
Summary of Findings	A	65
Disposal of Property to Related Parties	B	66-67
Payments to Selected Vendors	C	68-101
Selected Payments Authorized by Dennis Dobson	D	102-103
Staff		104
Appendices:	<u>Appendix</u>	
Copy of Letter Requesting Investigation	1	106-107
Copies of Checks for Property Sold to Anthony and Brandon Wood	2	108-110
Copy of Independent Appraisal and Bid Tabulation Form	3	112-113
Copy of Value Opinion and Bid Tabulation Form	4	114-115
Copy of Letter from Grady Marx to DOT	5	117
Copies of Checks Related to Sale of Property to Lee and Karen Judge	6	118-121
Copies of Documents Related to Sale of Property to Dan and Debbie Fetters	7	122-125
Copy of Documents Obtained from Clarence "Chub" Myers	8	126-127
Copy of Check to Weigel Properties from Jacob Walgenbach	9	128
Copies of Checks to David Weigel from Grady Marx	10	129-131



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## Auditor of State's Report

To the Honorable Governor Terry Branstad and  
Paul Trombino III, Director of the Iowa Department of Transportation:

As a result of concerns identified by Iowa Department of Transportation (DOT) officials and at your request, we conducted a special investigation of certain transactions processed by DOT. We have applied certain tests and procedures to selected financial transactions by the Property Management section of the Office of Right of Way for the period January 29, 1994 through July 7, 2011, unless otherwise noted. Based on a review of relevant information and discussions with DOT officials and personnel, we performed the following procedures.

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively in the Property Management section within the Office of Right of Way (ROW) and certain other areas within DOT.
- (2) Obtained and reviewed documentation of DOT's internal investigation and related supporting documents to determine the specific concerns previously identified for certain ROW transactions approved and actions taken by David Weigel, a former employee in the Property Management section.
- (3) Obtained copies of the ROW Land Inventory Reports for each 6 month period between June 1, 2009 and June 30, 2011. Using the reports, we traced properties from each report to the next chronological report to determine if any properties were sold during the period.
  - For properties which appeared to remain unsold, we obtained confirmations directly from County Assessor's Offices to determine if the properties remained in the name of DOT or the State of Iowa.
  - For properties which appeared to be sold during a given 6 month period, we traced the properties to a listing maintained by the Property Management section to determine if DOT's records were complete.
- (4) Obtained a listing of ROW properties sold by the Property Management section for the period January 29, 1994 through July 7, 2011 to determine if:
  - a patent file was maintained and included all required documentation, such as a professional appraisal, letters required by section 306.23 of the *Code of Iowa*, an income deposit sheet and a copy of the check.
  - the property was sold for significantly less than the appraisal value.
  - any related parties or repetitive buyer(s) could be identified, which may indicate relationships between ROW employees and the buyer(s).
  - the property sold by ROW was subsequently sold by the purchaser for a significant profit. For certain sales, we obtained confirmations directly from County Assessors' Offices documenting the sale date, the new buyer(s) and the sale amount.

- (5) Obtained and examined a listing of certain types of disbursements approved by ROW employees for properties held by DOT to determine the propriety of the payments and if they were properly approved.
- (6) Obtained and examined a listing of ROW leases maintained by DOT to determine completeness.
- (7) Obtained and examined a listing of certain types of receipts to identify all individuals and/or businesses involved in leasing land and/or improvements from DOT.
- (8) Obtained and reviewed personal bank accounts held by Mr. Weigel to identify the source of certain deposits and the disposition of certain payments. In addition, we obtained and reviewed personal bank account(s) for certain individuals issuing payments to or receiving payments from Mr. Weigel.
- (9) Obtained and reviewed the personal checking accounts held by certain individuals who were DOT vendors and involved in financial transactions with Mr. Weigel to identify the source of certain deposits and the disposition of certain payments.
- (10) With the assistance of the Division of Criminal Investigation (DCI), conducted interviews and reviewed transcripts of other interviews conducted by DCI agents to:
  - identify any relationships between Mr. Weigel and individuals interviewed who purchased land or received payments from DOT.
  - obtain an understanding of circumstances regarding payments between the individuals interviewed and Mr. Weigel.
- (11) Obtained and reviewed Mr. Weigel's personnel file, including supporting documentation related to internal investigations performed by DOT officials, to obtain an understanding of procedures performed and what changes in procedures, if any, DOT officials made as a result of these circumstances.
- (12) Subpoenaed and reviewed Mr. Weigel's Iowa Public Employees' Retirement System (IPERS) file to determine the propriety of certain benefit payments. We also met with IPERS representatives to obtain an understanding of how eligibility for IPERS benefits is determined.
- (13) Obtained and reviewed DOT's internal investigation and supporting documentation related to the termination of Dennis Dobson, a former employee in the Property Management section, to determine the circumstances surrounding his termination and what changes in procedures, if any, DOT officials made as a result of these circumstances.


These procedures identified \$581,122.75 of diverted collections, uncollected rent payments and improper disbursements from transactions conducted by the Property Management section of the Iowa Department of Transportation. Of the \$315,647.25 of diverted collections identified, \$203,680.25 was deposited to Mr. Weigel's personal bank account and \$100,000.00 was deposited to the personal bank account of a vendor Mr. Weigel authorized payments to. In addition, \$170,050.00 of rent was not collected for leases. The \$95,425.50 of improper disbursements identified includes payments authorized by Mr. Weigel to mowing vendors who subsequently made payments to Mr. Weigel.

We were unable to determine whether additional collections were diverted because sufficient records were not available, such as a complete listing of all leased property and documentation for all property disposed of by the Property Management section, independent appraisals and documentation regarding compliance with section 306.23 of the *Code of Iowa*. In addition, we were unable to identify the source of certain deposits to Mr. Weigel's personal bank accounts. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **D** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U. S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the Iowa Department of Transportation, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Polk County Attorney's Office, the Division of Criminal Investigation and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Iowa Department of Transportation and the Division of Criminal Investigation during the course of our investigation.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 12, 2013





## Iowa Department of Transportation

### Investigative Summary

#### **Background Information**

The Iowa Department of Transportation (DOT) provides transportation services which support the economic, environmental and social vitality for the State. The DOT's programs are administered by 5 major divisions, including the Highway Division, Information Technology Division, Motor Vehicle Division, Operations and Finance Division and Planning, Programming and Modal Division.

The Office of Right of Way (ROW) is within the Highway Division and includes the following 6 sections:

- Appraisal – The Appraisal section is responsible for appraising property the DOT plans to purchase for highway right of way.
- Acquisition or Relocation – The Acquisition unit is responsible for negotiating the purchase of property needed for right of way along interstate and primary highways in Iowa. The Relocation unit is responsible for coordinating the relocation of property owners and their personal property from land purchased for right of way along interstate and primary highways in Iowa.
- Condemnation – The Condemnation section is responsible for coordinating hearings and preparing the proper documents for the property acquired under eminent domain along interstate and primary highways in Iowa.
- Design – The Design section is responsible for the design of the right of way along interstate and primary highways in Iowa.
- Property Management – The Property Management section is responsible for maintaining, leasing and/or selling property acquired by DOT for highway projects, providing assistance to local governments (local public agencies) and land management records. The Property Management section also clears acquired property of buildings or any other obstructions prior to construction.
- Title – The Title section is responsible for coordinating the transfer of ownership, preparing the proper documents and sending payment for property purchased by DOT for right of way along interstate and primary highways in Iowa.

The Property Management section provides general management of acquired property before, during and after highway projects are completed. Property acquired by DOT is primarily handled in 3 different ways. How a specific piece of property is handled depends on the circumstances of the highway project for which the property was acquired. The property may be:

- Maintained – Property Management maintains the property by providing the necessary seeding, mowing and snow removal services. Acquired property is to be maintained in a manner that is environmentally sound, such as preventing erosion, but also in a manner which allows for access to the property, as needed, while the highway project progresses.
- Leased - When practical, Property Management leases acquired property and/or buildings on acquired property. Leasing the land and buildings increases revenue collected by DOT and decreases maintenance costs, such as mowing and snow removal.
- Sold - After the projects have been completed, Property Management disposes of the acquired land and buildings which were not needed during construction of the highway project. Property Managers are to sell the properties in accordance with

section 306.23 of the *Code of Iowa*, which requires, in part, first offering the property to the previous owner and any adjacent owners, then providing other parties the opportunity to purchase the property. According to a representative of DOT, adjacent owners are individuals who bought the unacquired portion of land from original owner subsequent to DOT purchasing the land for a highway project.

Property Managers within the Property Management section are responsible for securing services for properties which are to be maintained by DOT, establishing lease agreements with individuals who lease properties from DOT and making arrangements to sell excess properties held by DOT after the completion of a highway project.

Property may initially be leased out by DOT prior to the start of construction, be maintained by DOT during construction and then be sold after completion of a highway project. However, the circumstances of some highway projects may allow the Property Management section to lease the properties the entire time prior to sale or maintain the properties the entire time prior to sale.

During May 2011, certain concerns were identified regarding the sale and pending sale of 2 properties which were facilitated by David Weigel, an employee within the Property Management section. Additional concerns were identified in June 2011 regarding property farmed by an individual based on Mr. Weigel's instructions. The concerns are discussed in the following paragraphs.

**Concerns Identified Related to the Sale of DOT Land** – On May 26, 2011, an employee from the Property Management section voiced concerns to her supervisor regarding the pending sale of 19.19 acres of land in Polk County for \$2,000.00. The file for the pending sale included a memo prepared by Mr. Weigel which stated “The subject property is a 19.19 acre tract of land that was used for borrow and topsoil was not replaced. The parcel has little if any value. A taken value of \$2,000.00 is well within a reasonable range.”

The employee reported Mr. Weigel told her the 19.19 acres was a hill and it was “crappy land” when she asked him about the price. Because she was not satisfied with his response, the employee took the file to their supervisor. The employee also pointed out to the supervisor the file contained an “Income Deposit” form which acknowledged Grady Marx’s \$2,000.00 payment for the land. The form is to be signed by a Property Manager and approved by the Property Management Supervisor. Instead, the form in the file was signed by a clerical staff member of the Property Management section for Mr. Weigel (the assigned Property Manager) and Mr. Weigel signed for the Property Management Supervisor. The form was dated May 23, 2011. Because the Property Management Supervisor was in the office on May 23, 2011, there was no reason it would have been necessary for Mr. Weigel to sign on behalf of the Supervisor.

After the employee brought these concerns to the Supervisor’s attention, he shared them with additional levels of DOT management staff and an internal investigation was performed. During the investigation, DOT officials determined Mr. Weigel sold 5.82 acres of land in Polk County to Mr. Marx for \$3,000.00 in April 2011, even though the land was appraised at \$70,000.00 on July 8, 2010. The appraisal was completed by an independent appraisal firm and specified the land was determined to have a highest and best use as a single family residential area. However, on November 1, 2010, Mr. Weigel valued the property at \$3,000.00 citing the west side of the property is very irregular and the parcel of land is cut in the middle by a very large ditch. DOT personnel also determined Mr. Weigel authorized the \$3,000.00 sale even though there were bids from other potential buyers which were considerably higher than the amount of Mr. Marx’s offer. In addition, DOT personnel determined it appeared Mr. Weigel improperly prepared certain records concerning the property.

On June 3, 2011, DOT management personnel met with Mr. Weigel to discuss the property sales. Mr. Weigel was placed on paid administrative leave immediately after the meeting.

**Concerns Identified Related to Farmed DOT Land** - According to DOT personnel we spoke with, a Property Manager received a phone call from Jacob Walgenbach on June 24, 2011 regarding questions about DOT property he had maintained and farmed. Mr. Walgenbach stated there was a weed problem on the land and it was too late in the season to plant alfalfa or row crops, such as corn and soybeans, as he had done in 2010. Because row crops are not to be planted on property maintained by the Property Management section, according to a representative of DOT, the Property Manager asked why row crops had been planted and how often. According to Mr. Walgenbach, the property had been in terrible condition and he was instructed to plant row crops to improve its condition. He also stated he received half of the proceeds from the sale of the row crops and the remaining half was remitted to DOT.

During a subsequent phone conversation on June 28, 2011, Mr. Walgenbach stated he had been instructed by Mr. Weigel to issue the DOT's portion of the harvest proceeds from the 2010 crop to Weigel Properties. On July 7, 2011, DOT met with Mr. Weigel to discuss the additional concerns identified. After the meeting, Mr. Weigel resigned from his position as ROW Agent IV/Production Coordinator for DOT.

**David Weigel's DOT Employment History** - David Weigel started employment with the State of Iowa DOT as a Right of Way (ROW) Agent I on June 16, 1995. As a ROW Agent, Mr. Weigel was responsible for managing rental properties, establishing rates and negotiating direct sales with cities, counties and other State agencies for DOT excess land.

On December 29, 1995, Mr. Weigel was promoted to ROW Agent II and became responsible for traveling statewide communicating with owners, tenants and public about the management and/or sale of land and improvements. In addition, Mr. Weigel was responsible for disposal of unneeded land through advertising and/or negotiations with the public and government agencies.

Based on documentation obtained from DOT, Mr. Weigel was demoted to a ROW Agent I with a decrease in salary on May 20, 1998. The documentation showed Mr. Weigel was eligible to return to his current salary level at the ROW Agent II level following a year of successful performance. The documentation listed 5 work rules Mr. Weigel violated, including:

- Insubordination and failing to follow supervisor's instructions involving lying about involvement in and continuing activities which Mr. Weigel acknowledged were against policy.
- Selling private services on State time.
- Transacting business as an employee of the State with a business entity in which Mr. Weigel had an interest.
- Hiring firms he had an interest in and, as a result, accepting unauthorized rewards relating to his job as an employee of the State.
- Engaging in outside activities which provided the appearance Mr. Weigel's independence of judgment had been impaired.

According to a former supervisor, DOT officials considered terminating Mr. Weigel, but ultimately decided to suspend Mr. Weigel with the understanding the suspension was to serve as a "final warning." On June 28, 1999, Mr. Weigel was reinstated to ROW Agent II and resumed his regular job responsibilities. A memo in Mr. Weigel's personnel file dated June 28, 1999 stated he had "completed over one year of service without any work rule violations." It also stated he had "maintained an exceptional work attitude throughout this time and continues to produce at the highest level."

On November 14, 2002, Mr. Weigel was promoted to ROW Agent III and became responsible for the following:

- Providing guidance to local public agencies in developing and carrying out ROW activities involved in local projects,
- Monitoring the work of local public agencies regarding ROW activities and compliance with State and Federal requirements,
- Disposing of unneeded land through advertising/negotiations with the public and government agencies consistent with the *Code of Iowa* and Federal regulations,
- Performing duties related to highway construction projects, such as taking possession of land acquired for the project, managing the land and any buildings on the land and clearing the land for the highway project.
- Establishing farm, commercial, residential and miscellaneous leases for acquired properties as appropriate and consistent with State and Federal requirements.

On July 28, 2006, Mr. Weigel was promoted to ROW Agent IV/Production Coordinator and was responsible for coordinating work flow through the Property Management section. His duties included providing training, advice and technical expertise to others within the section. In addition, he assigned work activities to ensure efficient work flow and assumed some of the section supervisor's duties in their absence. Mr. Weigel also continued to provide guidance to local public agencies in developing and carrying out ROW activities involved in local projects and monitoring the work of local public agencies regarding ROW activities and compliance with State and Federal requirements.

Mr. Weigel also continued to be responsible for disposing of unneeded land through advertising/negotiations with the public and government agencies consistent with the *Code of Iowa* and Federal regulations and taking possession of land acquired for the project, managing the land and any buildings on the land and clearing the land for the highway project.

**Resulting Investigation** – In a letter to Governor Branstad dated July 7, 2011, Paul Trambino III, the Director of DOT, summarized the concerns identified with the sale and pending sale of land in Polk County and the payment by Mr. Walgenbach for the row crops he harvested in 2010. The letter also requested an investigation of the transactions and any other transactions or activities as deemed warranted. A copy of the letter is included in **Appendix 1**.

As a result of the request, the Office of Auditor of State conducted an investigation of certain transactions processed by the Property Management section of ROW. The investigation was conducted with assistance from the Division of Criminal Investigation (DCI). We performed the procedures detailed in the Auditor of State's Report for the period January 29, 1994 through July 7, 2011.

### **Detailed Findings**

These procedures identified \$581,122.75 of diverted collections, uncollected rent payments and improper disbursements. Of the \$315,647.25 of diverted collections identified, \$203,680.25 was deposited to Mr. Weigel's personal bank account and \$100,000.00 was deposited to the personal account of a vendor Mr. Weigel authorized payments to. In addition, \$170,050.00 of rent was not collected for leases. Specifically, lease payments were not properly billed, were billed but cancelled or not collected or the payment was returned to the individual who remitted the payment.

The \$95,425.50 of improper disbursements identified includes payments to individuals for costs associated with farming and mowing land owned by DOT. Of the improper disbursements

identified, \$93,750.00 was authorized by Mr. Weigel. The remaining unauthorized disbursements identified were authorized by Dennis Dobson, a former employee in the Property Management section.

We were unable to determine whether additional collections were diverted because sufficient records, such as a complete listing of all leased property and documentation for all property disposed of by the Property Management section, such as independent appraisals and documentation regarding compliance with section 306.23 of the *Code of Iowa*, were not available. In addition, we were unable to identify the source of certain deposits to Mr. Weigel's personal bank accounts. Our findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

## **UNDEPOSITED COLLECTIONS**

As previously stated, the Property Management section provides general management of acquired property before, during and after highway projects are completed. Property acquired by DOT, including buildings on the land acquired, may be leased for which DOT should collect lease payments. Unneeded property may also be sold after completion of a project, for which specific requirements have been established. All proceeds from the sale of the unneeded property are to be remitted to DOT.

During our review of transactions processed by the Property Management section and activity in personal bank accounts belonging to Mr. Weigel and certain other individuals, we identified amounts which were not properly collected and deposited by DOT. Instead, the amounts identified were deposited to personal bank accounts held by Mr. Weigel and Mr. Marx. The collections were from the sale of DOT property Mr. Weigel was involved with and leases or maintenance of DOT property he administered. We also identified collections Mr. Weigel received from individuals who farmed land owned by DOT. Our findings are discussed in the following paragraphs.

**DOT DISPOSAL OF LAND** – As previously stated, after highway projects have been completed, the Property Management section disposes of the acquired land and buildings which were not needed during construction of the projects. Property Managers are to sell the properties in accordance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual.

However, before the land goes through the disposal process, a value opinion and/or an independent appraisal of the property is to be performed to determine a fair market value. According to a representative of DOT, a value opinion is to be prepared by the Property Managers if the property has a value of less than \$10,000.00. Property Managers determine if the \$10,000.00 threshold is met and they prepare the value opinion based on their experience, price paid for the property and knowledge of prior activity related to the property. For instance, if the property is only a portion of the parcel previously acquired by DOT or if the property was stripped of topsoil because it was used as a “borrow” site, they know the property is worth less than its acquisition price.

According to an interview with a clerical employee in the Property Management section, value opinions were not typically performed until the end of the disposal process. The clerical employee also stated she frequently had to request Property Managers complete a value opinion. According to DOT's Property Management Policy and Procedures Manual, “We must have adequate written information to enable us to make reasonably informed decisions in accepting bids or offers. Therefore, every sale file must contain written documentation of value before being exposed to the market or offered for sale.”

Section 306.23 of the *Code of Iowa* requires DOT, in part, to notify the previous owner and any adjacent owners of the intent to sell the property, the name and address of any other person to whom a notice was sent and the fair market value of the property. The notice is also to give the

previous owner and any adjacent owners the opportunity to make an offer for the property within 60 days of the date of the notice. In accordance with the *Code of Iowa*, an offer from the previous owner or any adjacent owners which equals or exceeds the amount of other offers and which equals or exceeds the fair market value of the property is to be given preference in the sale of the property. According to DOT personnel we spoke with, adjacent property owners are defined as parties who have purchased all or a portion of the property purchased by DOT subsequent to its acquisition for a highway project.

In accordance with DOT's Property Management Policy and Procedures Manual, if none of the previous or adjacent property owners are interested in purchasing the property, notice is to be provided to the abutting property owners in a similar manner as the previous and adjacent owners. If more than 1 abutting property owner makes an offer for the property within the 30 days provided, the property is to be awarded to the highest bidder if the amount offered is considered appropriate with respect to the fair market value.

If the previous owner and none of the adjacent or abutting property owners are interested in the property, DOT may make the property available to the general public. However, certain provisions are to be followed when the property is made available to the general public.

Sealed bid sales are most commonly used for sales to the general public. The sealed bids are administered by the Property Management staff. Sealed bid sales are held at least once each month, but additional sales are scheduled as needed. DOT advertises land and improvements available for sale by posting information on Property Management's website and sending e-mails to individuals on a mailing list maintained by Property Management staff.

When DOT receives the sealed bids by mail, they are delivered unopened to Property Management. The bids are to remain unopened and secured in a designated locked location until the scheduled bid opening. Staff members are not to provide any information, such as the number of bids or the names of the bidders, to the public prior to the bid opening.

Bids are to be opened at the time and place designated in the sale notice. The bid openings are open to the public and anyone may attend. At a minimum, 2 Property Management staff are to be present as the bids are read. However, according to DOT officials we spoke with, 2 Property Management staff were not always available when bids were opened. All applicable information is to be recorded on the bid tabulation form. Consideration is to be given only to the bids received by Property Management on or before the time due which are accompanied by a bid deposit in the form of a check or money order drawn in not less than the required amount.

Following the opening of the bids, the Property Management Chief Supervisor and another Property Manager are to prepare recommendations as to which bidder should be approved. According to DOT personnel, the property should be awarded to the highest bidder if the amount offered is considered appropriate with respect to the fair market value. If none of the bids are approved, DOT continues to hold the property and the Property Manager is responsible for determining when the property should be included in a subsequent property sale.

After the successful bidder has been determined, Property Management staff are to inform the successful bidder their bid has been recommended for approval and inform the successful bidder when DOT has officially accepted the bid. The notice of official acceptance should also request the balance due, if any. All unsuccessful bids and bid deposits should be returned as soon as possible. Payment is required as a condition of the acceptance of a sealed bid, a bid at an auction and/or as a condition of acceptance of a negotiated sale. The payment should be in the form of a check or money order drawn in an amount not less than 100% of the bid or negotiated purchase price of the improvement or personal property.

As previously stated, during May 2011, DOT officials identified concerns regarding the sale and pending sale of 2 properties in Polk County facilitated by Mr. Weigel. For each property,

Mr. Weigel approved the sale of the property for substantially less than the appraised value. Because of these concerns, we obtained a listing of all DOT property sold during the period January 29, 1994 through July 7, 2011 to determine whether property was sold at a discounted price.

We also reviewed all files associated with the sold properties to determine if supporting documentation was available and required documents were maintained in accordance with DOT policies. For the 1,202 properties sold by DOT between January 29, 1994 and July 7, 2011, we reviewed the files and related documentation available for 1,183 sales. The remaining 19 files were missing. Of the 19 missing files, 2 files were for properties purchased by an LLC established by a former DOT employee and 1 was for a property purchased by Mr. Marx. The remaining 16 missing files were older and may have been purged by DOT. In addition, transactions were not identified in Mr. Weigel's personal bank accounts or the bank accounts we reviewed for the parties who purchased the property described in the 16 files and DOT officials did not identify the parties as related to Mr. Weigel.

Also, we determined 901 files (75% of the properties sold) did not include all required documents, such as warranty deeds, letters required by section 306.23 of the *Code of Iowa* and appraisals. For the missing files and the files which were missing required documents, we were unable to ensure all transactions were properly conducted by DOT staff.

As previously discussed, DOT officials identified concerns regarding the sale of 2 properties to Mr. Marx in Polk County and the sales were terminated. During our investigation, we identified 9 additional properties sold to Mr. Marx and 5 other individuals who had personal transactions with Mr. Weigel. We also identified 1 piece of property sold to an individual who paid Mr. Marx a portion of the purchase price and 1 piece of property sold to Mr. Walgenbach's mother. We also identified 2 properties purchased by separate limited liability corporations (LLCs) which were established by Mr. Weigel. The 15 property sales identified are summarized in **Table 1**. As illustrated by the **Table**, we identified \$271,000.00 of proceeds from 3 of the sales which were improperly diverted from DOT.

**Table 1**

Purchaser	Number of Sales	Number of Acres	Sales Amount	Not Properly Deposited
a) Anthony and Brandon Wood	1	202.00	\$ 851,340.00	200,000.00
b) Grady Marx^	4	61.23	25,000.00	-
c) David Weigel*	2	45.01	85,032.11	-
d) Stephen Banks*	4	7.63	41,600.00	-
e) Lee and Karen Judge	1	3.09	125,000.00	45,000.00
f) Dan and Debbie Fetters	1	23.51	76,000.00	26,000.00
g) Arlene Walgenbach	1	2.25	500.00	-
h) Gerald Randleman	1	1.55	68,500.00	-
Total	15	346.27	\$ 1,272,972.11	271,000.00

\* - Includes affiliated Limited Liability Corporations (LLCs).

^ - 2 of the 4 sales were terminated by DOT officials. The number of acres and sales amounts for the terminated sales are not included in the **Table**.

The 15 property sales identified are discussed in detail in the following paragraphs. The 15 property sales are also individually listed in **Exhibit B**. As illustrated by the **Exhibit**, 6 of the properties were resold by the purchaser within 25 months of the purchase from DOT. Some of the properties were resold for substantially more than the purchase price. We are unable to determine what improvements, if any, were made to the property prior to its subsequent sale or if it was combined with other property to create a larger parcel. As a result, we have not included any of the subsequent sales prices in **Exhibit A**.



- a) Anthony and Brandon Wood – As illustrated by the **Table**, we identified \$200,000.00 of collections which were not properly remitted to DOT for property purchased by Anthony and Brandon Wood. While the property was purchased by Anthony Wood and his son, Brandon Wood, the transaction was initiated by Anthony Wood and his father, Robert Wood. The \$200,000.00 of diverted collections was deposited to his personal bank account by Mr. Marx, who subsequently issued a \$100,000.00 check to Mr. Weigel.

During our review of activity in Mr. Weigel's bank accounts, we identified a \$99,000.00 deposit in December 2010 and determined it consisted of a \$100,000.00 check from Mr. Marx and \$1,000.00 of cash withheld from the deposit. A copy of the check is included in **Appendix 2**. As illustrated by the **Appendix**, the check was dated December 16, 2010. At the time we reviewed this deposit, we were aware Mr. Weigel authorized the sale of 2 properties in Polk County to Mr. Marx during the first half of 2011 at prices substantially less than their fair value.

When a DCI agent asked Mr. Marx about the check during an interview, he stated it was a "commission check" he paid to Mr. Weigel. He also called the payment a "buyout check" or a "payoff check." He also stated, "Payoff check is probably a better word" when trying to describe the payment to the DCI agent. He further explained he was awarded a bid for a property sale, but subsequently decided he could not afford it. He stated Mr. Weigel found someone who was interested in the property and who paid Mr. Marx for the "options" on the property. Mr. Marx stated he made "a pretty good chunk" of money on the sale of the "options" and gave Mr. Weigel half of the proceeds, which was \$100,000.00. Mr. Marx stated he was unable to recall the name of the individual he sold the options to, but stated the property was located in Rudd, Iowa (Floyd County).

When we interviewed Mr. Weigel with the assistance of a DCI agent, we asked why he received a \$100,000.00 check from Mr. Marx in December 2010. Mr. Weigel stated the check was for a mower, some hay and some partnership or consulting fees.

We also reviewed the activity in Mr. Marx's bank accounts and identified a \$200,000.00 deposit in December 2010 which consisted of a check from Wood & Sons Inc. dated December 16, 2010. A copy of the check is included in **Appendix 2**.

Using records available from the Property Management section, we reviewed properties sold in Floyd County to determine if any of the properties were located around Rudd and identified 202 acres sold to Anthony and Brandon Wood on December 16, 2010. The DOT records document the property was sold for \$651,340.00. We traced the \$651,340.00 to a DOT deposit. A copy of the check issued to DOT by Wood & Sons Inc. is included in **Appendix 2**.

With the assistance of a DCI agent, we interviewed Robert Wood and his son, Anthony Wood. According to Mr. Wood and his son, they rented the 202 acres for a few years and told Mr. Weigel they would be interested in purchasing the property if it ever went up for sale. Using records obtained from DOT, we confirmed Mr. Wood leased the property from DOT prior to the sale and all required lease payments were properly deposited by DOT.

According to Robert Wood, DOT did not lease the property to them in 2010 because he was told DOT planned to sell the property. He stated he called Mr. Weigel and offered \$851,340.00 for the property. He also stated the purchase was delayed until it could be determined if a barn on the property was a historical building. It was later determined the barn was not a historical building. As illustrated by **Exhibit B**, the sale was recorded in DOT's Sold Property Ledger as a sealed bid. However, Mr. Wood stated he simply made an offer for the property.

According to Mr. Wood, Mr. Weigel met with Robert and Anthony Wood on December 16, 2010 to complete the sale. According to Robert and Anthony Wood, Mr. Weigel presented the State patent and warranty deed to the property during the meeting.

During the interview with Robert and Anthony Wood, we asked them about their relationship with Mr. Marx or any business conducted with him. They stated they did not know Mr. Marx and did not conduct any business with Mr. Marx. Because Robert and Anthony Wood could not recall having any business dealings with Mr. Marx, we showed them a copy of the \$200,000.00 check issued to Mr. Marx and asked why they would have issued the check to him. According to Robert and Anthony Wood, they could not recall writing the check to Mr. Marx, but stated they may have done so based on Mr. Weigel's instructions.

Robert Wood also stated they trusted Mr. Weigel because he was a representative of DOT. As a result, they would not have questioned him if he instructed them to issue a check to Mr. Marx for a portion of the purchase price. Anthony Wood stated he was not concerned about who the checks were issued to, but rather the purchase price did not exceed \$851,340.00. The \$651,340.00 check issued to DOT and the \$200,000.00 check issued to Mr. Marx total the \$851,340.00 the Woods offered for the property.

During our review of the patent file for the property purchased by the Woods, we determined it did not include the letters required by section 306.23 of the *Code of Iowa*. As a result, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to its sale to the Woods. In addition, the file did not include any applicable bid tabulation forms, so it appears the property was not made available for a public bid.

During our review of the patent file for the property purchased by the Woods, we determined it did not include an independent appraisal. However, as a result of our inquiry into this transaction, DOT discovered an independent appraisal had been requested by Mr. Weigel in 2008 in an attempt to sell the land. Based on that appraisal, the property was valued at \$1,084,000.00. According to the Staff Action report found in the file, Mr. Weigel was the Property Manager responsible for the disposal of this property. However, Floyd County was not in Mr. Weigel's assigned district. As a result, it would be unusual for him to be responsible for the property. In addition, Mr. Weigel reported the appraised value of the property was \$650,000.00 with a high bid of \$651,340.00 received from Anthony Wood. However, the file did not contain documentation of any bids.

Because Mr. Weigel reported the purchase price of \$651,340.00 in DOT records, DOT did not receive the full \$851,340.00 paid by Robert and Anthony Wood. As illustrated by the checks included in **Appendix 2**, the \$200,000.00 not properly remitted to DOT was split between Mr. Marx and Mr. Weigel. As a result, we have included the \$200,000.00 in **Exhibit A** as undeposited collections.

Because the property was not offered to the general public for sale by bid, as required by DOT policies, we are unable to determine if DOT would have been able to sell the property for closer to the appraised value of \$1,084,000.00. In addition, because the appraisal was prepared 2 years before the sale of the property, the value of the property may have increased significantly from the appraisal. The difference between the amount paid by Anthony and Brandon Wood and the value of the property at the time of the sale is not included in **Exhibit A**.

- b) Grady Marx – As illustrated by **Exhibit B**, DOT's sold property ledger includes 3 purchases completed by Mr. Marx. A 4<sup>th</sup> sale which was terminated by DOT is also included in the **Exhibit** for illustrative purposes. The purchases include land in Woodbury, Hamilton and Polk counties which were purchased between August 6, 2004 and April 8, 2011. Each purchase is described in the following paragraphs.
- Woodbury County, 7.26 acres – Mr. Marx purchased 7.26 acres in Woodbury County on August 6, 2004 for \$12,000.00. According to documentation in the related file, the appraised value, determined by a staff action report rather than an independent appraisal, was \$15,000.00. According to the staff action report, a former Property Manager was

responsible for facilitating this sale. In addition, it does not appear Mr. Weigel helped the other Property Manager with this sale. The property was not sold through the bid process. Instead, Mr. Marx submitted an offer to buy the property for \$12,000.00. Because the file did not contain any letters to show compliance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to the sale to Mr. Marx. In addition, the file did not include any applicable bid tabulation forms, so it appears the property was not made available for a public bid.

Because bank records from 2004 were not readily available, we were unable to review deposits to Mr. Weigel's personal bank accounts near the time of the sale to determine if he received any payments from Mr. Marx related to the property. As a result, we were unable to determine if Mr. Weigel received any benefits from selling this property to Mr. Marx.

Based on information we received from the Woodbury County Assessor's Office, the property has not been subsequently resold by Mr. Marx. Due to the prior transactions between Mr. Marx and Mr. Weigel, we closely scrutinized the file. However, we were unable to determine if Mr. Marx received a discounted price on the property or if there were any other improper actions associated with the sale. As a result, we have not included any amounts in **Exhibit A** related to this transaction.

- Hamilton County, 28.96 acres – Mr. Marx purchased 28.96 acres in Hamilton County on October 1, 2009 for \$8,000.00. The related file did not include an appraisal for the property. However, according to the Hamilton County Assessor's website, the property had an assessed value of \$14,530.00 in 2008. The property was not sold through the bid process. Instead, Mr. Marx submitted an offer to buy the property for \$8,000.00.

Because the file did not contain any letters to show compliance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to its sale to Mr. Marx. In addition, the file did not include any applicable bid tabulation forms, so it appears the property was not made available for a public bid. However, the file included an Income Deposit form which was signed by Mr. Weigel on behalf of his supervisor at the time.

Based on information we received from the Hamilton County Assessor's Office, the property has not been subsequently resold by Mr. Marx. Due to the prior transactions between Mr. Marx and Mr. Weigel, we closely scrutinized the file. However, we were unable to determine if Mr. Marx received a discounted price on the property or if there were any other improper actions associated with the sale. As a result, we have not included any amounts in **Exhibit A** related to this transaction.

- Polk County, 5.82 acres - As previously stated, DOT officials determined Mr. Weigel sold 5.82 acres of land in Polk County to Mr. Marx for \$3,000.00 on April 8, 2011. However, the related file included an appraisal performed by an independent appraiser on July 8, 2010 which valued the land at \$70,000.00. The file also included 2 bid tabulation forms. The independent appraisal and 1 of the bid tabulation forms are included in **Appendix 3**.

As illustrated by the **Appendix**, the bid tabulation form shows an appraised value of \$70,000.00 and 4 bids ranging from \$7,050.00 to \$30,501.00. However, according to the bid tabulation form dated December 15, 2010, all bids were rejected. The bid tabulation form was prepared 1 day before Mr. Weigel met with Robert and Anthony Wood and collected 2 checks for the 202 acres of DOT land he sold in Floyd County.

The file also included letters sent to unsuccessful bidders by Mr. Weigel on December 20, 2010. According to the letters, DOT did not accept the offers because they were significantly less than the appraised value. The letters also stated DOT would proceed with another public sale for the property. However, the file did not include any documentation which showed another public sale was held.

In addition, the file included a second bid tabulation form with an appraised value of \$3,000.00 and a value opinion Mr. Weigel prepared on November 1, 2010 stating a value of around \$3,000.00 for the land seems reasonable. A copy of the bid tabulation form and the value opinion are included in **Appendix 4**. As illustrated by the **Appendix**, the bid tabulation form states there were no bids on the property.

During an interview with DOT officials, Mr. Weigel stated the 4 bids documented in **Appendix 3** were rejected because they were half of the appraised value. Because the bids were rejected, Mr. Weigel stated DOT kept the property awhile and made several attempts to re-bid the property. Mr. Weigel also stated the last time DOT re-bid the property, the best offer received was \$3,000.00 from Mr. Marx. However, Mr. Marx's name did not appear on any bid tabulation form. During an interview with Mr. Marx, we asked him about this land purchase; however, Mr. Marx did not provide any answers or explanations regarding how he acquired the property.

As subsequently discussed, DOT recovered the property from Mr. Marx in July 2011 and refunded the amount he paid for it, plus interest.

- Polk County, 19.19 acres – Mr. Marx received a notice in May 2011 concerning another property Mr. Weigel was disposing of for DOT because the property abutted the 5.82 acres Mr. Marx purchased in April. The related file included a copy of a notice dated May 9, 2011 Mr. Weigel sent to Mr. Marx which stated the property contained 19.19 acres with a fair market value of \$2,000.00 and provided 30 days to make a written offer. The letter also specified no one else was receiving the same notice.

The file also contained copies of 2 letters sent to previous and adjacent owners of the property. The letters were dated February 1, 2011 and stated the property had a fair market value of \$2,000.00. During DOT's review of the sale, DOT officials contacted the individual to whom 1 of the letters was addressed. The individual insisted they did not receive a notice of the sale and the opportunity to submit an offer for the property.

In addition, during an interview with a clerical staff member from the Property Management section, DOT officials were told Mr. Weigel instructed the staff member in May 2011 to place a copy of the adjacent owner's letter in the file even though a letter had not actually been sent in February. Mr. Weigel told the staff member the individual was deceased, so a copy of the letter needed to be in the file but didn't need to be sent. Using information from DOT's electronic correspondence file, we confirmed the letter to the adjacent owner was created as an electronic document on May 9, 2011, even though the letter was dated February 1, 2011.

If the letters had been sent in February, a clerical staff member of the Property Management section should have notified certain DOT employees of the planned disposal. However, the clerical member did not send an e-mail to the employees until May 9, 2011 which stated the plat and the Offer to Buy were attached for their review. The e-mail was sent on the same day a letter was sent to Mr. Marx as an abutting property owner.

The file also includes an "Offer to Buy" form signed by Mr. Marx. The offer specifies \$2,000.00 for the property and was dated May 20, 2011.

In response to the e-mail sent by the clerical staff member, a DOT employee sent an e-mail to Mr. Weigel on May 10, 2011 and copied the other DOT employees receiving the original message. The e-mail stated, "19 acres for only \$2,000.00!" Mr. Weigel responded to the e-mail stating, "Relax we had a typo.....need one more 0." The DOT employee replied, "\$1000 an acre in Polk County.....still a heck of a deal!" We did not identify any further e-mail correspondence regarding the bid or any other documentation.

The file did not include an independent appraisal for this property. Rather, it included a value opinion completed by Mr. Weigel which was dated January 15, 2011. However, using information from DOT's electronic correspondence file, we confirmed the value opinion was created as an electronic document on May 31, 2011, which is after the letter was sent to Mr. Marx as an abutting property owner. The value opinion Mr. Weigel prepared stated, "The property is a 19.19 acre tract of land that was used for borrow and topsoil was not replaced. The property has little if any value. A taken value of \$2,000.00 is well within a reasonable range."

As previously stated, an employee from the Property Management section voiced her concerns regarding the pending sale to her supervisor on May 26, 2011. The employee reported Mr. Weigel told her the 19.19 acres was a hill and it was "crappy land" when she asked him about the price. Because she was not satisfied with his response, the employee took the file to their supervisor. The employee also pointed out to the supervisor the file contained an "Income Deposit" form which acknowledged Mr. Marx's \$2,000.00 payment for the land. The form is to be signed by a Property Manager and approved by the Property Management Supervisor. Instead, the form in the file was signed by a clerical staff member of the Property Management section for Mr. Weigel (the assigned Property Manager) and Mr. Weigel signed for the Property Management Supervisor. The form was dated May 23, 2011. Because the Property Management Supervisor was in the office on May 23, 2011, there was no reason it would have been necessary for Mr. Weigel to sign on behalf of the Supervisor.

During an interview with DOT officials, Mr. Weigel stated the description of 19.19 acres was a mistake and the piece of land Mr. Marx was placing a bid on was a sliver of land at the end of the 19.19 acres. Mr. Weigel also stated he did not get a survey completed on the sliver of land so ROW sent the wrong survey with the offer. Also, Mr. Weigel stated Mr. Marx knew there was a mistake with this property.

According to an interview with Mr. Marx, he knew the bid sheet for this property was not right when he received it because it was not a sliver, it was a big piece of property. However, he placed a bid on the property knowing it would not get accepted.

On July 15, 2011, DOT sent 2 letters to Mr. Marx which stated DOT would not complete the sale of the 2 Polk County properties because the sales did not comply with section 306.23 of the *Code of Iowa*. On July 19, 2011, Mr. Marx wrote a letter to DOT stating he agreed with DOT's decision for declining the sale of the land for \$2,000.00. However, he also stated the land he purchased in April 2011 followed the *Code of Iowa* and his bid was valid. As a result, Mr. Marx returned DOT's check and requested the patent for the land in order to finalize the sale. A copy of Mr. Marx's letter to DOT is included in **Appendix 5**.

On July 22, 2011, DOT responded to Mr. Marx's request. According to the letter, DOT advised Mr. Marx the patent for the land had been cancelled and would not be delivered. In addition, the letter stated a prior property owner was not sent the notice for the land in accordance with section 306.23(1) of the *Code of Iowa*. As a result, DOT enclosed a state warrant issued to Mr. Marx in the amount of \$3,021.36, which included his original \$3,000.00 payment plus interest.

Because both Polk County sales were terminated by DOT, we have not included any amounts in **Exhibit A**.

c) David Weigel – As illustrated by **Exhibit B**, we identified 2 properties purchased by Mr. Weigel during the period January 29, 1994 through July 7, 2011. The 2 properties are discussed in the following paragraphs.

- Extremely Limited Inc. – As illustrated in the **Exhibit**, Extremely Limited Inc., an LLC, purchased approximately 30 acres of land in Story County on September 15, 1997 for \$55,111.00. According to a staff action report prepared by Mr. Weigel, the property was valued at \$54,000.00. The file did not include an independent appraisal. According to a representative of the Story County Assessor's Office, the property was assessed at \$58,000.00 at the time of the sale.

According to the Secretary of State's website, Barbara Weigel, Mr. Weigel's wife, is the registered agent and President of the LLC. In addition, Mr. Weigel is identified as the Secretary and Treasurer of the LLC. Mrs. Weigel is also a DOT employee, but not in the Property Management section. According to an interview with Mr. Weigel's supervisor at the time of the purchase, all DOT employees were allowed at that time to bid on property included in public sales.

The file for this property did not include the letters required by section 306.23 of the *Code of Iowa*. We are unable to determine if they were purged from the file due to the file's age or if they were never sent. Because the file did not contain any letters to show compliance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to its sale to the Weigel's LLC. In addition, the file did not include any applicable bid tabulation forms, so it appears the property was not made available for a public bid.

According to the file, the property was sold using a sealed bid. We spoke with Mr. Bates, who was a supervisor in the Property Management section at the time of the sale. He stated while he does not recall being present when the bids were opened, he does recall Mr. Weigel stated he left a bunch of money on the table after the sale was awarded to Extremely Limited Inc. When Mr. Bates asked why Mr. Weigel made that statement, he learned Mr. Weigel had actually purchased the property using the name Extremely Limited Inc.

Based on supporting documentation available, Steven Weigel signed the sealed bid form as a representative of Extremely Limited Inc. on July 29, 1997. We were unable to determine who Steven Weigel is in relation to David and Barbara Weigel. In addition to the sealed bid form, we reviewed the income deposit sheet, which documented receipt of collections for the sale of property. According to the income deposit sheet, Mr. Weigel was the Property Manager who approved the sale and collection of funds. We were unable to determine if Mr. Weigel properly remitted a check to DOT in the amount of \$55,111.00 because DOT does not maintain records this old. We also were unable to readily obtain Mr. Weigel's bank statements from 1997.

According to the Story County Assessor's website, Extremely Limited Inc. sold the property to David and Barbara Weigel on July 22, 1999 with no monetary exchange as a result of corporate merger or reorganization. As illustrated by the **Exhibit**, Mr. Weigel still owns the property. After July 22, 1999, a house and garage were built on the property followed by 2 steel utility buildings. According to the Story County Assessor's website, Mr. Weigel's property has a land value of \$117,400.00 and a dwelling value of \$371,300.00, with a total value of \$488,700.00 for calendar year 2012.

Because Mr. Weigel was the Property Manager who handled the disposal of this property, he would have been familiar with the features of the property, its value and possibly the bids received. We were unable to locate a bid tabulation form and we were unable to

determine if Mr. Weigel placed his bid using Extremely Limited Inc.'s name after all other bids were received.

Because DOT's policy allowed all DOT employees to purchase land at a public sale, we have not included an amount related to the sale in **Exhibit A**. According to Mr. Weigel's former supervisor, DOT's policy changed immediately after the sale to Mr. Weigel to prohibit Office of Right of Way employees from purchasing land from DOT. However, all other DOT employees are allowed to purchase land.

- Jesse Wheeler, LLC – As illustrated by the **Exhibit**, Jesse Wheeler, LLC purchased 14.96 acres of land in Floyd County for \$29,921.00 on May 20, 2005. According to the Secretary of State's website, Mr. Weigel is the registered agent of the LLC. The sale of the property was approved by a Property Manager other than Mr. Weigel and Mr. Bates, the Supervisor.

During an interview with DOT officials in June 2011, Mr. Bates stated he was not aware Mr. Weigel was associated with Jesse Wheeler, LLC. While the property was sold to Jesse Wheeler, LLC, the related file shows the bid for the property was initially awarded to Colleen Brown. According to Mr. Bates, he was aware Ms. Brown was Mr. Weigel's mother-in-law. However, DOT policy allowed her to bid on the property because she was a DOT employee not employed in the Office of Right of Way.

When asked about the property during an interview with DOT officials in June 2011, Mr. Weigel stated Mr. Bates was aware of his relationship with Ms. Brown. He also stated he told Mr. Bates he would have "rather used his company" (Jesse Wheeler, LLC) to buy the property because "at least everyone would know it's me." However, according to Mr. Weigel, Mr. Bates instructed him to "use Nana" to place the bid for the property.

When we interviewed Mr. Weigel with the assistance of a DCI agent, he stated he recalled the day he bid on the property. He stated, in part, "The agent that was trying to dispose of it... came to me and said hey, no one's even interested in this, why don't you buy this? I hadn't even looked at it before that, so... I looked at it [the file], looked at the appraisal and I don't remember what I even bid on it." We also spoke with the Property Manager who approved the sale. She did not provide a response when asked if she had approached Mr. Weigel to suggest he purchase the property.

According to the related bid tabulation form, Ms. Brown placed a \$29,921.00 bid on the property on May 5, 2005, which was appraised at \$38,300.00. The bid tabulation form also showed DOT received another bid for \$11,250.00, which does not agree with the information provided to us by Mr. Weigel. During our review of the file, we also determined Ms. Brown's name was crossed off the income deposit sheet and replaced by Jesse Wheeler, LLC.

Because the file did not contain any letters to show compliance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to its sale to Mr. Weigel.

Using bank statements for Mr. Weigel's personal accounts, we identified 3 payments to DOT from Mr. Weigel for the property purchased by Jesse Wheeler, LLC. When we asked Mr. Weigel why he purchased the property, he stated the Property Manager had been unable to locate a buyer for the land and had approached him about buying it. This statement is inconsistent with the bid tabulation form found in the related file.

As illustrated by the **Exhibit**, Mr. Weigel sold the land in Floyd County 4 months after it was purchased from DOT for \$11,967.00 more than the \$29,921.00 paid for it. Mr. Weigel stated he had to clean up the property prior to reselling it. We reviewed the activity in

Mr. Weigel's bank statements available for 2005 and did not identify any payments related to cleaning up the property.

Mr. Weigel made a concerted effort to conceal his identity to purchase the property. In addition, because of his position as a Property Manager, he had access to the property file prior to submitting a bid. When these factors are considered with the information Mr. Weigel sold the property 4 months after its purchase, it appears DOT should have been able to sell the property for more than \$29,921.00. Because Mr. Weigel may have benefited from information he obtained from the file which was not available to other bidders, the \$11,967.00 of sale proceeds in excess of the purchase price is included in **Exhibit A** as diverted collections.

- d) Stephen Banks (dba Thrifty LLC) – As illustrated by **Exhibit B**, DOT's sold property ledger includes 4 purchases by Thrifty LLC. A document filed with the Secretary of State's Office in 2005 includes Stephen Banks' signature as the President of Thrifty LLC. According to DOT officials, Stephen Banks was employed as an intern in the Property Management section from May 1997 to July 1998. He returned to full time employment with DOT in the Acquisitions section in November 1999. He moved from the Acquisitions section to Rail Transportation in February 2007. He was terminated from employment on September 1, 2011 for actions not involving Property Management.

DOT officials stated Mr. Banks was a personal friend of Mr. Weigel's. During an interview with Mr. Weigel, he stated he and Mr. Banks had been friends and he had hired Mr. Banks to represent his children as their attorney. He also indicated he and Mr. Banks no longer maintained a personal relationship.

**Table 2** lists the 4 purchases by Thrifty LLC. As illustrated by the **Table**, 2 of the purchases were in 2004 and 2 were on December 5, 2005. All of the properties were located in counties which were assigned to Mr. Weigel.

**Table 2**

Date		Number of Acres	Approximate # of Months Held	Purchase Amount	Sale Amount	Difference
Purchase	Subsequent Sale					
05/24/04	06/02/05	3.92	12.5	\$ 41,000.00	74,000.00	33,000.00
10/21/04	03/05/06	0.42	16.5	400.00	32,150.00	31,750.00
12/05/05	06/21/07	0.56	18.5	100.00	18,000.00	17,900.00
12/05/05	12/20/07	2.73	24.5	100.00	8,421.00	8,321.00
Total				\$ 41,600.00	132,571.00	90,971.00

For each sale by DOT, a file should have been maintained containing the related patent, plat survey, warranty deed, Income Deposit form, Offer to Buy form, letters to document compliance with section 306.23 of the *Code of Iowa*, letters to abutting property owners, bid tabulations and independent appraisals and/or value opinions. When we requested copies of the files, DOT personnel were unable to locate files for the sales in 2004. However, DOT officials reviewing Mr. Weigel's actions had previously taken copies of the files and those copies were made available for our review. The copies were obtained by DOT officials prior to their first meeting with Mr. Weigel, after which he was placed on administrative leave.

Because the files did not contain any letters to show compliance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to the sales to Thrifty LLC. In addition, the files did not include any applicable bid tabulation forms, so it appears the properties were not made available for a public bid.



Each of the 4 sales was recorded in the DOT Sold Property ledger as offers rather than as sealed bids. None of the files for the 4 sales document why offers were accepted on the properties rather than sealed bids. According to the plat survey and/or warranty deed located in the files for the 4 properties, Mr. Banks was not the previous owner of the properties.

The file for the \$41,000.00 purchase included only a plat survey and warranty deed. It did not include an Income Deposit form, independent appraisal or value opinion or any other documentation which specified the Property Manager. However, as previously stated, the property was located in a county which was assigned to Mr. Weigel.

The file for the \$400.00 sale on October 21, 2004 included only the patent, plat survey, Income Deposit form and Offer to Buy form. While the Offer to Buy form included the Property Manager Supervisor's signature, it included only Mr. Weigel's pre-printed name on the form. It did not include his signature. However, the property was located in a county assigned to Mr. Weigel.

The files for the 2 properties sold on December 5, 2005 each include the patent, plat survey, warranty deed, the Offer to Buy form and an Income Deposit form. Mr. Weigel signed each Income Deposit form.

As illustrated by **Table 2**, the 4 properties were subsequently sold for \$90,971.00 more than Thrifty LLC paid for them. Because sufficient supporting documentation, such as independent appraisals, were not maintained in the related files, we were unable to determine if Thrifty LLC received a discounted price for the properties.

During our review of activity in Mr. Weigel's personal bank accounts, we determined a \$10,000.00 check from Mr. Banks was deposited to 1 of Mr. Weigel's accounts on October 6, 2010. Using DOT's records, we were unable to identify any property purchases made by Mr. Banks or Thrifty LLC around this time period.

When we asked Mr. Weigel about the \$10,000.00 check, he stated it was repayment for a loan he provided to Mr. Banks. We also asked Mr. Banks about the \$10,000.00 check and he also stated he had received a loan from Mr. Weigel. We did not identify any other transactions between Mr. Weigel and Mr. Banks during the period for which bank records were available.

In light of the \$10,000.00 personal check, we closely scrutinized the files for the 4 properties purchased by Thrifty LLC. However, because supporting documentation, such as an independent appraisal, letters required by section 306.23 of the *Code of Iowa* and staff action reports, were not in the files, we were unable to determine if Thrifty LLC received a discounted price on the 4 properties or if there were any improper actions associated with the sales. As a result, we have not included any amounts in **Exhibit A** for the transactions.

- e) Lee and Karen Judge – As illustrated by **Table 1**, we identified \$45,000.00 of collections which were not properly remitted to DOT for property purchased by Lee and Karen Judge. The diverted collections were deposited by Mr. Weigel in his personal bank account. The property purchased by Mr. and Mrs. Judge was originally awarded to Todd Rueter through a sealed bid process.

During our review of activity in Mr. Weigel's personal bank accounts, we identified a \$10,000.00 check issued to Todd Rueter which was dated December 4, 2006. A copy of the check is included in **Appendix 6**. Using the DOT's Sold Property Ledger, we determined Mr. Rueter purchased 6 properties from DOT in Polk and Warren counties between December 18, 2001 and September 20, 2005. We reviewed the related files and determined Mr. Weigel facilitated all 6 sales. However, none of the 6 sales listed in DOT's Sold Property Ledger were near the date of the \$10,000.00 check we identified.

We contacted Mr. Rueter at his construction and agricultural equipment retail business in Ames and requested he meet with us. With the assistance of a DCI agent, we interviewed Mr. Rueter at our office in Des Moines. At the time of the interview, Mr. Weigel was employed as a salesman at Mr. Rueter's business.

Mr. Rueter stated he asked Mr. Weigel prior to the interview why DCI would want to ask him questions about purchases he had made from DOT. According to Mr. Rueter, Mr. Weigel reminded him he purchased property around Marshalltown for which he submitted a sealed bid to DOT. Mr. Rueter did not indicate Mr. Weigel referred to any of the 6 properties he purchased in Polk and Warren counties.

We reviewed DOT's Sold Property Ledger to identify the property referred to by Mr. Rueter. The Sold Property Ledger did not include any property sold to either Mr. Rueter or Mr. Weigel in Marshall County or surrounding counties near the time of the payment. However, the Sold Property Ledger included a property located in Tama County on Highway 30 near Montour, which is 11 miles east of Marshalltown. According to the Sold Property Ledger, the property was sold to Lee and Karen Judge in October 2006.

We reviewed the patent file for the property sold to Mr. and Mrs. Judge and identified several unusual transactions and documents. As a result of the concerns identified, we closely scrutinized the documents related to the sale and have chronologically summarized our findings in the following paragraphs.

- June 2006 – An appraisal was performed for the property which included 3.09 acres and a home. The appraised amount was \$122,000.00. The file also included copies of letters dated June 15, 2006 which showed compliance with section 306.23 of the *Code of Iowa*. Documents in the file show Mr. Weigel facilitated the sale of the property.
- September 2006 – The property was publicly advertised. Sealed bids for the property were to be submitted by October 4, 2006.
- October 2006 – DOT officials opened the sealed bids received from 4 bidders. The property was awarded to Mr. Rueter based on his \$80,000.00 bid. The file included a copy of the bid tabulation form. The file also included an Income Deposit form which showed Mr. Rueter made a deposit for the property on October 4, 2006. A copy of the \$10,000.00 cashier's check is included in **Appendix 6**. We were able to verify Mr. Weigel's former Supervisor reviewed the file and related supporting documentation.

During our interview with Mr. Rueter, he stated he did not remember very much about the property near Marshalltown. However, after he spoke with Mr. Weigel prior to the interview, he recalled placing a bid on the property before he saw it. He also stated he went to look at the property and determined he was "in over his head" after he was awarded the bid. According to Mr. Rueter, the property needed more work than he had time to invest, so he told Mr. Weigel he no longer wanted the property. As a result, Mr. Weigel purchased the property from him. Mr. Rueter stated the \$10,000.00 check he received from Mr. Weigel in December 2006 was for the property.

We also asked Mr. Weigel about the \$10,000.00 check he issued to Mr. Rueter during an interview conducted with the assistance of a DCI agent. While Mr. Rueter stated the check was for the DOT property Mr. Weigel purchased from him, Mr. Weigel stated the check was for a 56 New Holland tractor.

- November 2006 – Mr. Judge issued 2 checks for the property. The checks totaled the \$125,000.00 purchase price he paid for the property. The patent file included a copy of a \$70,000.00 check he issued to DOT on November 30, 2006.

During our review of Mr. Weigel's personal bank statements, we also determined a \$55,000.00 check was issued by Mr. Judge to Mr. Weigel on November 30, 2006. The check was deposited in Mr. Weigel's personal bank account on December 1, 2006. A copy of the check is included in **Appendix 6**.

With the assistance of a DCI agent, we interviewed Mr. Judge, who stated he was residing in Florida at the time the property was disposed of by DOT. However, friends notified him of for sale signs on the property and related advertisements in the local newspaper. According to a DOT official, it was common for DOT to place "For Sale" signs on property at the time the property was to be sold. As a result, it is possible the signs Mr. Judge referred to were signs placed by DOT.

Because he was interested in the property, Mr. Judge contacted Mr. Weigel. According to Mr. Judge, he did not see an appraisal for the property, but stated Mr. Weigel and another individual improved the property by cleaning up the yard and replacing the septic system. As discussed in detail in the following paragraphs, DOT paid for removal of trees on the property after Mr. Rueter's bid was accepted. We were unable to identify any payments made by DOT or Mr. Weigel for replacement of the septic system.

During the interview, Mr. Judge stated he believed Mr. Weigel identified the \$125,000.00 price for the property, which he thought was reasonable based on the improvements.

Mr. Judge also stated he issued 2 checks for the purchase of the property and specified 1 was issued to DOT and the other was issued to Mr. Weigel and another individual. However, Mr. Judge was unable to remember the amounts of the checks. After we showed copies of the checks to Mr. Judge, he confirmed he issued the checks to DOT and Mr. Weigel and he signed them. When asked why he issued a \$70,000.00 check to DOT and a \$55,000.00 check to Mr. Weigel, he could not recall, but stated he would have done so based on Mr. Weigel's instructions.

Mr. Judge stated he would have mailed the checks to Iowa because he was living in Florida at the time he issued them. However, he did not recall if the checks were mailed together or separately or where the checks were mailed to. He stated he would have addressed the envelopes based on Mr. Weigel's instructions because he would not have known where to mail them.

- December 2006/January 2007 - During our investigation, we reviewed Mr. Weigel's personnel file and identified a summary of a citizen's complaint dated December 28, 2006. The document described the property sold to Lee and Karen Judge. The personnel file showed the complaint was reviewed by Mr. Weigel's former Supervisor. According to a summary document prepared by the former Supervisor, he reviewed the property file and determined the property was placed for sale in a public bid and awarded to Mr. Rueter for \$80,000.00.

The former Supervisor also determined the approved bid was accompanied by a \$10,000.00 cashier's check from Mr. Rueter. He also documented the file included 2 Income Deposit forms. Of the 2 forms, 1 stated the patent was to be issued to Mr. Rueter and included the \$10,000.00 amount he paid to DOT. However, the 2<sup>nd</sup> Income Deposit form stated the patent was to be issued to Lee and Karen Judge. The file also included a copy of a \$70,000.00 check issued to DOT by Judge, Inc.

In addition, the former Supervisor and another DOT official interviewed Mr. Weigel on February 2, 2007 to discuss the citizen's complaint.

- February 2007 – According to documentation in Mr. Weigel’s personnel file, he stated prior to the meeting on February 2, 2007 he already knew what the citizen’s complaint was regarding and who the concerned citizen was. During the meeting with his supervisor and another DOT official, Mr. Weigel was asked several questions regarding the Tama County property and his relationship with Mr. Rueter. Some of the questions are summarized below, along with Mr. Weigel’s answers as documented in his personnel file.
  - Question: Did you have any private interest in this property at any time?  
Answer: No.
  - Question: Are you or have you been a partner with the Reuter [sic] family involving any property with a DOT interest?  
Answer: No.
  - Question: Did you personally mow grass or perform any work on parcel 109?  
Answer: No.
  - Question: Did you act for any private interest in hiring or arranging for contractors to provide work on this property at any time?  
Answer: No. Mr. Rueter hired David’s son Jason to remove and dispose of a deck and pool as well as paint the basement.
  - Question: Did you receive any type of private compensation or benefit in connection with this property?  
Answer: No.

During the meeting, the DOT officials also asked Mr. Weigel about the removal of 7 trees from the property. Mr. Weigel had authorized payment by DOT for the work to remove trees which was started on October 8, 2006 and completed on October 12, 2006, according to the related invoice. Specifically, Mr. Weigel was asked why the work was ordered after the property was sold when the property sale was advertised “as is.”

According to the documentation in Mr. Weigel’s personnel file, Mr. Weigel stated branches from the trees were brushing the power lines serving the property during the open house. A neighbor offered to remove the trees for safety reasons. Mr. Weigel stated he agreed and hired the neighbor that day. Unfortunately, he did not remove the trees until after the sale, but he had been hired well before the sale.

We contacted the neighbor who was paid \$875.00 by DOT to remove the trees. According to the neighbor, he did not attend the open house. He stated Mr. Weigel stopped at his home and asked if he would be willing to remove the trees. He was familiar with Mr. Weigel because he also owned property along the Highway 30 corridor and had dealt with Mr. Weigel on other issues related to DOT’s work on the highway. The neighbor also stated the trees were removed prior to the sale of the property. According to a DOT official, it was appropriate for Mr. Weigel to authorize the removal of trees prior to the sale because it was a safety issue.

Mr. Weigel was also asked during the meeting if he was involved in any capacity in the subsequent sale of the property. According to the documentation in Mr. Weigel’s personnel file:

“David knew Mr. and Mrs. Judge from previous State business. The Judge’s asked David who had bought the property and if they might [be] interested in selling the property. David told them and offered Mr. Reuter’s [sic] number.

Mr. Judge asked David if he would call Mr. Rueter and tell him he would like to buy the property for \$125,000.00. David called Mr. Rueter, who was interested and sold the property to the Judge's. Mr. Rueter asked that the Judge's names be on the Patent. In the past for many different reasons the purchaser has requested a different name of [on] the Patent, so this is not contrary to our policy. All this occurred after the State's sale in [of] the property.

David stated he received no payment or any type of compensation for his involvement. Mr. Rueter hired David's son Jason to remove the deck and pool as well as paint the basement. Jason was paid \$2,000 for his work.

[The complainant] had reported seeing David's personal vehicle at the property. David's son Jason does not have an Iowa driver's license, so David took Jason to the job site off state time."

During our interview with Mr. Judge, he stated he did not have any dealings with DOT prior to the property he purchased in Tama County, nor did he purchase any property after that. Also, as previously stated, Mr. Judge stated Mr. Weigel told him the asking price for the property. He did not offer \$125,000.00 in an unsolicited manner. Several other of Mr. Weigel's responses to the DOT officials' questions were not consistent with information we received from Mr. Judge.

The documents included in Mr. Weigel's personnel file do not include any notations Mr. Weigel gave any indication he had received the \$45,000.00 price difference between the \$125,000.00 he stated the Judges were willing to pay and the \$80,000.00 recorded in the Sold Property Ledger. As previously stated, the checks from Judge, Inc. were issued to DOT and Mr. Weigel on November 30, 2006 and Mr. Weigel met with DOT officials on February 2, 2007.

Notations in Mr. Weigel's personnel file document his former supervisor and another DOT official concluded at the end of their internal investigation Mr. Weigel was very open and forthcoming during the investigation. They also documented Mr. Weigel was able to answer several of their questions prior to the question being asked. However, Mr. Weigel's former supervisor and the other DOT official did not interview anyone to substantiate the responses received from Mr. Weigel and they failed to pursue why DOT only received \$80,000.00 for the property when it was sold for \$125,000.00. Because further procedures were not performed, DOT did not receive the additional \$45,000.00 from the sale of the property.

DOT should have received the total \$125,000.00 paid by Mr. and Mrs. Judge for the property. However, DOT only received \$80,000.00 when the \$10,000.00 cashier's check from Mr. Rueter and the \$70,000.00 check from Judge, Inc. are considered. As previously stated, the remaining \$55,000.00 paid by Judge, Inc. was deposited to Mr. Weigel's personal bank account. After considering the \$10,000.00 check Mr. Weigel issued to Mr. Rueter, the net proceeds received by Mr. Weigel was \$45,000.00. This is also the difference between the total \$125,000.00 paid by Judge, Inc. and the \$80,000.00 DOT received. The \$45,000.00 difference is included in **Exhibit A** as diverted funds.

- f) Dan and Debbie Fetters – As illustrated by **Table 1**, we identified \$26,000.00 of collections which were not properly remitted to DOT for property purchased by Dan and Debbie Fetters. The \$26,000.00 of diverted collections was deposited by Mr. Weigel in his personal bank account in May 2007. A copy of the check is included in **Appendix 7**. As illustrated by the **Appendix**, the check was dated May 18, 2007.

After we identified the check from Mr. and Mrs. Fetters, we reviewed activity in DOT's Sold Property Ledger and identified 23.51 acres they purchased in Tama County in June 2007. We

reviewed the related file and determined Mr. Weigel facilitated the sale. The file also included documents which showed TOD, LLC acquired rights to the property. Using documents recorded with the Secretary of State (SOS), we determined the LLC was established by Tara Carlson, who is also known as Tara Banks, Stephen Banks' wife. While Mrs. Banks was the initial registered agent of the LLC, a document obtained from the SOS showed Patrick Dillon later became the registered agent for the LLC. Mr. Dillon was also the registered agent for Thrifty LLC, which was the LLC which purchased 4 properties from DOT which were previously discussed.

Because the parties identified during our review of the file also played roles in other DOT property sales for which concerns were identified, we closely scrutinized the transaction and have chronologically summarized our findings in the following paragraphs.

- October 2005 – Articles of organization were filed with the SOS for TOD, LLC. As stated previously, the document shows Mrs. Banks was the initial registered agent. A registered agent is a business or individual designated to receive service of process when a business entity is a party in a legal action, such as a lawsuit. In addition, the registered agent's address is where the State sends the paperwork for the yearly renewal of the business entity's charter. The registered agent for a business entity may be an individual member of the company or a third party, such as a lawyer. Mrs. Banks is a lawyer licensed in Iowa. Based on internet searches, Mrs. Banks graduated from Drake Law School in 2005 and passed the bar exam in 2007. She also received her law license in 2007.

With the assistance of a DCI agent, we interviewed Mrs. Banks about TOD, LLC. Mr. Banks was also present during the interview. According to Mr. and Mrs. Banks, TOD, LLC was established as an entity for real estate transactions, but no real estate was ever purchased by the LLC. They stated Mr. Banks had also previously established other LLCs for the same purpose and confirmed Thrifty LLC, an entity established by Mr. Banks, had purchased property from DOT.

- March 2006 – The biennial report filed with SOS for TOD, LLC showed Mrs. Banks was the President of TOD, LLC, in addition to being the registered agent.
- October 2006 – A Change of Registered Agent for TOD, LLC was filed with the SOS on October 19, 2006, which changed the registered agent from Mrs. Banks to Patrick Dillon, an attorney in Sumner, Iowa. During the interview with Mr. and Mrs. Banks, they stated they decided to make Mr. Dillon the registered agent after they were married earlier in 2006 because he was the registered agent for other LLCs established by Mr. Banks.
- November 2006 – An independent appraisal of property sold to Mr. and Ms. Fetters was completed on November 20, 2006. The file maintained by DOT for the sale includes a copy of the appraisal, which totaled \$59,000.00.
- December 2006 – A letter dated December 6, 2006 which complied with section 306.23 of the *Code of Iowa* was sent to the previous owner of the property sold to Mr. and Mrs. Fetters was included in the file maintained by DOT. In addition, the file contained a receipt from the post office documenting the letter had been forwarded and delivered to the previous owner, Double L Farms Co. However, the file did not contain any letters sent to adjacent or abutting property owners. In addition, the file did not include any bid tabulation forms.
- January 2007 – A letter dated January 3, 2007 was included in the file. A copy of the letter is included in **Appendix 7**. As illustrated by the **Appendix**, the letter was from Mr. Dillon and states, in part, Patrick Dillon's client, TOD, LLC acquired sale

rights for the property from Double L Farms Co. The letter states the sale rights were related to section 306.23 of the *Code of Iowa*. We identified several concerns with the letter. Specifically:

- The file maintained by DOT did not include a copy of the affidavit referred to in the letter. A letter received from Mr. Dillon in May 2007 specifically stated the affidavit was sent to Mr. Weigel as a Property Manager of DOT. We are unable to determine if an affidavit was actually obtained by TOD, LLC from Double L Farms. Co.
- Double L Farms Co. did not respond to the letter DOT sent in accordance with section 306.23 of the *Code of Iowa*. In accordance with section 306.23 of the *Code of Iowa*, Double L Farms Co. forfeited its opportunity to purchase the property because it did not respond to the letter.
- The *Code of Iowa* does not allow the previous or adjacent owners to sell its “rights” to purchase excess right of way property sold by DOT.

When we interviewed Mr. Dillon with the assistance of a DCI agent, he refused to identify who engaged him as the registered agent for TOD, LLC. When asked to explain his understanding of section 306.23 of the *Code of Iowa*, Mr. Dillon stated he wrote the letter and a subsequent letter in May 2007 at the request of his client and he did not have an understanding of any requirements or rights established by section 306.23 of the *Code of Iowa*. Mr. Dillon also stated he knew of Mr. Weigel, but had never met him and he did not bill his client for the time spent on the letters or any work associated with them.

Following the interview with Mr. and Mrs. Banks, Mr. Banks provided additional information in an e-mail regarding the sale of the property to Mr. and Mrs. Feters. A copy of a portion of the e-mail is included in **Appendix 7**. As illustrated by the **Appendix**, Mr. Banks stated, in part, he reviewed the letters sent by Mr. Dillon and he didn't remember the transaction. He also stated if the letter was sent by Mr. Dillon, “I am sure he acted as I had instructed him as my attorney.”

We were unable to determine how Mr. Banks was aware DOT had issued a letter to Double L Farms Co. regarding disposal of the property in accordance with section 306.23 of the *Code of Iowa*. At the time the letter was sent in December 2006, DOT had not publicly posted any information regarding the disposal of the property. As a result, it appears Mr. Banks may have received information from Mr. Weigel which was not available to the public. Alternatively, Mr. Weigel may have directed Mr. Dillon to draft the January 3, 2007 letter. As previously stated, Mr. Dillon refused to disclose who instructed him to prepare the letter.

- May 2007 - A letter dated May 15, 2007 was included in the file. A copy of the letter is included in **Appendix 7**. As illustrated by the **Appendix**, the letter was sent by Mr. Dillon to Mr. Weigel as a Property Manager for DOT. The letter states, in part, the right to purchase the property has been transferred and requests the sale of the property to Dan and Debbie Fetter be closed at Mr. Weigel's earliest convenience.

With the assistance of a DCI agent, we interviewed Mr. Feters, who stated he and his wife leased the property in Tama County prior to DOT deciding to sell it. He also stated they leased an abutting property from DOT which included a residential dwelling. Using DOT records, we confirmed Mr. and Mrs. Feters made payments to DOT from 2003 through 2006 which were recorded as lease payments. However, we were unable to determine which property the payments were for, or if they were for both properties in Tama County. We were also unable to locate a lease for either

property. Mr. and Mrs. Fetters purchased the property which included the residential dwelling from DOT for \$140,000.00 in April 2007. We did not identify any unusual circumstances regarding the purchase of this property.

During the interview, Mr. Fetters stated after he and his wife were notified DOT intended to sell the 23.51 acres, they told Mr. Weigel they were interested in purchasing the property. According to Mr. Fetters, they were required to pay Mr. Weigel \$26,000.00 for the right to purchase the property. As stated previously, Mr. Fetters issued a \$26,000.00 check to Mr. Weigel on May 18, 2007.

While the May 15, 2007 letter prepared by Mr. Dillon indicates TOD, LLC transferred rights to the property to Dan Fetters and Debbie Fetters, Mr. Fetters stated he was not familiar with the name TOD, LLC. He also stated he was not aware of any letters stating TOD, LLC had transferred rights to the property to him. He only knew he was required to pay Mr. Weigel for the rights.

Mr. Fetters also stated he issued a \$50,000.00 check to DOT for the property. We confirmed DOT deposited \$50,000.00 for the sale of the property. Because Mr. Weigel deposited the remaining \$26,000.00 paid by Mr. and Mrs. Fetters to his personal bank account, we have included the \$26,000.00 in **Exhibit A** as diverted collections.

- August 2008 - A letter was sent to Mr. Dillon by the SOS on August 11, 2008 which dissolved TOD, LLC due to its failure to file the 2008 biennial report.

During the interview, Mr. Banks indicated it was common for individuals to acquire rights from original owners for property being disposed of by DOT. He also stated it was not uncommon to sell or transfer the rights acquired or subsequently purchase the property from DOT. In the e-mail correspondence from Mr. Banks included in **Appendix 7**, he stated he acquired the rights granted by section 306.23 of the *Code of Iowa* by sending a letter requesting the original owner to sign an affidavit. He did not indicate if he paid the original owner for the rights acquired.

We asked a DOT official whether DOT had allowed individuals to acquire rights to property and subsequently sell property to those who reportedly had obtained the rights. According to the DOT official, Property Managers had allowed this practice to occur prior to December 2010. However, when the official became responsible for overseeing the Property Management section and learned of the practice, he consulted with DOT legal counsel and determined the practice was not appropriate. According to the official, Property Managers should not have sold property to anyone who “acquired rights” and the practice, as far as he is aware, did not occur after December 2010.

As previously stated, Mr. Fetters stated he was required to pay Mr. Weigel for the rights to purchase the property from DOT. As a result, it appears Mr. Weigel was associated with TOD, LLC. However, we are unable to determine what role, if any, he played. When asked, Mr. Banks stated no one else was associated with TOD, LLC. In addition, as previously stated, Mr. and Mrs. Banks acknowledged they established TOD, LLC and engaged Mr. Dillon as the registered agent. We were unable to determine if Mr. Weigel shared any of the \$26,000.00 he received from Mr. Fetters with Mr. and Mrs. Banks and/or Mr. Dillon.

- g) Arlene Walgenbach – As previously stated, a Property Manager received a phone call from Jacob Walgenbach in June 2011 regarding property he had been maintaining for DOT. It was eventually learned Mr. Walgenbach had been instructed by Mr. Weigel to issue the DOT’s portion of the 2010 harvest proceeds from that land to Weigel Properties. Mr. Weigel resigned after meeting with DOT officials to discuss the circumstances of this issue.



As illustrated by **Exhibit B**, Arlene Walgenbach purchased 2.25 acres in Sioux County on March 30, 2010 for \$500.00. Ms. Walgenbach is Mr. Walgenbach's mother. During an interview with Mr. Walgenbach, he stated the property abutted property already owned by Ms. Walgenbach. As a result, Mr. Walgenbach asked Mr. Weigel how much it would cost to purchase the property. According to Mr. Walgenbach, Mr. Weigel said it was \$500.00. As a result, Ms. Walgenbach purchased the property.

Because the file did not contain any letters to show compliance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to its sale to Ms. Walgenbach. In addition, the file did not include any bid tabulation forms, so it appears the property was not made available for a public bid.

We were unable to locate an appraisal for this property and we were unable to determine if Mr. Weigel was authorized to sell the property. Sioux County was not in the area assigned to Mr. Weigel.

In light of the \$16,680.25 payment Mr. Walgenbach improperly made to Mr. Weigel instead of DOT for crop sharing, we closely scrutinized the file for the property purchased by Ms. Walgenbach. However, because supporting documentation, such as an independent appraisal, letters required by section 306.23 of the *Code of Iowa* and staff action reports, were not in the files, we were unable to determine if Ms. Walgenbach received a discounted price on the property or if there were any improper actions associated with the sale. As a result, we have not included any amounts in **Exhibit A** for the transaction.

- h) Gerald Randleman – Mr. Weigel hired Gerald Randleman to provide mowing services. In addition, according to interviews conducted with Mr. Randleman and Mr. Weigel, both stated Mr. Randleman hired Mr. Weigel's sons to help mow.

As illustrated by the **Exhibit**, Mr. Randleman purchased 1.55 acres of property in Warren County on June 4, 2001 for \$68,500.00. The sale was approved by Mr. Weigel. We were unable to locate supporting documentation to determine the appraised value. Because we were unable to locate an appraised value, we were unable to determine if Mr. Randleman received a discounted price on the property because of his relationship with Mr. Weigel.

Mr. Randleman, sold .52 acres of the property he purchased 2 months later for \$70,000.00. The property, which is part of a development area, was resold again approximately 10 years later for a substantial increase.

In light of the payments Mr. Weigel authorized to Mr. Randleman for mowing, we closely scrutinized the file for the property purchased by Mr. Randleman. Because the file did not contain any letters to show compliance with section 306.23 of the *Code of Iowa* and the Property Management Policy and Procedure Manual, we are unable to determine if the previous and adjacent owners received the opportunity to purchase the property prior to its sale to Mr. Randleman. In addition, the file did not include any bid tabulation forms, so it appears the property was not made available for a public bid.

Because an independent appraisal was not in the file, we were unable to determine if Mr. Randleman received a discounted price on the property or if there were any improper actions associated with the sale. As a result, we have not included any amount in **Exhibit A** for the transaction.

During our review of property sold by DOT, we identified several properties in addition to those purchased by the individuals listed above which were subsequently resold for significantly more than was paid to purchase the properties. **Table 3** summarizes 4 purchases from DOT and the amount received for reselling the properties.

**Table 3**

Purchase from DOT				Subsequent Sale			
Date	# of Acres	Purchaser	Amount	Date	Purchaser	Amount	Difference
08/21/00	.16	Lyle and JoAnn Ternus	\$ 300.00	10/15/03	David and Jennifer Jannssen	\$ 200,000.00	199,700.00
11/29/00	.41	Deanne Wolterman	36,000.00	07/25/07	David and Debera Quandt	320,000.00	284,000.00
05/01/03	.24	City of Huxley	250.00	08/12/08	Forselles II Partners LLC	590,000.00	589,750.00
04/18/08	.08	The Minnow, LLC	200.00	07/10/08	The Whale, LLC	225,000.00	224,800.00

As illustrated by the **Table**, 3 of the 4 properties listed were held for several years before they were resold. The property purchased from DOT on April 18, 2008 was purchased by the previous owner for \$1.00 more than the price DOT paid to acquire the land prior to the project. Based on records available on the Secretary of State's website, The Whale, LLC appears to be a related party of The Minnow, LLC.

For 2 of the properties listed in **Table 3**, we were able to determine improvements, such as the addition of commercial buildings, were made to the properties or additional land was added to the parcel prior to the subsequent sale. For the remaining 2 properties, we are unable to determine what improvements were made by the purchaser, if any, or if additional land was added to the parcel prior to the subsequent sale.

**Leases** – The Property Management section is responsible for maintaining or leasing property acquired for pending or active highway projects. If the assigned Property Manager determines maintaining a piece of land and improvements are not the best option, the Property Manager can consider leasing land, improvements and any personal property on the land, such as a house or out-building. According to the Property Management Policy and Procedure Manual, rental agreements are to be on a year-to-year or month-to-month basis at the fair market rental rate.

The fair market rental rate is to be determined by the Property Manager based on the length of time the property may be available, the state of repair, potential uses for the property, prevailing market rental rates for similar property in the area and the ultimate disposition of the property. In addition, the fair market rental rate may be for mutual benefit when the State receives benefits such as reduced maintenance costs or protection of the property from vandalism. A mutual benefit lease is a lease in which a rental payment was not due or collected. For mutual benefit leases, the lease file must contain documentation as to the estimated market rent and the estimated savings as a result of the lease.

**Farm Leases** - In the case of farm leases, the former owners or former tenants should be provided the first opportunity to lease the land. If the former owners or former tenants are not interested, abutting owners and other interested parties in the area should be provided an opportunity to lease the property.

Also, a lease is only to be used when DOT determines the land will not be needed for construction for at least a year and the land is of a size and shape which would make it economically feasible to farm. Farm leases normally begin March 1 and run through the end of February of the following year. In situations where the leased area is required for construction purposes, a termination date when the crop has been harvested (late October – December 1) may be used.

Farm leases are to prohibit row crops (corn or soybeans) on land when it is evident soil erosion has been or would be excessive due to the slope or poor soil conditions. According to DOT personnel, alfalfa, hay and oats are crops used to help prevent soil erosion and DOT does not participate in crop sharing. Crop sharing is when crops are harvested and sold and the profits are shared among the parties to the leases.

Property Management section staff are to perform an annual review of farm leases for construction needs and request lease management recommendations from the local DOT District Offices. This review is usually performed in June and July for the upcoming crop year, which is from March 1 to the following February 28. Farm leases, which terminate at the end of the term specified in the lease or as agreed upon, should be reviewed and, when practical, be renewed. A lease renewal notice should be sent prior to September 1 and should identify the lease, amount of rental due and the date when payment is due. The notice should be accompanied by a card instructing the lessee to sign and return the card on or before October 1 and indicate their intention to renew the farm lease. If a farm tenant fails to return the rental remittance with a final delinquency notice, a Property Manager should obtain a new farm tenant. All farm leases over 40 acres must be written as new leases annually.

Residential and Commercial Leases - For non-farm leases, there are 2 types of leases, residential and commercial. A residential lease includes the lease of a home, an apartment or any other building or space in any structure or improvement used as a dwelling place. A commercial lease includes any type of property not to be used as a residence, such as offices and parking lots. The Property Manager may hire a local realtor or use other advertising methods to find tenants for residential and commercial properties. The Property Manager should maintain a list of interested parties.

DOT does not renew non-agricultural leases when possession of the premises will be required during what would be the renewal term or when terms or conditions of the lease must be added or revised in order to be consistent with construction or other needs. When a lease will not be renewed, the lease is to be renegotiated in a manner consistent with needs for the property or the tenant will be allowed to remain in possession of the premises as a tenant at-will.

If a residential lease is renewed, a tenant is to receive a letter of lease renewal 30 days in advance of the end of the lease term. The letter is to specify the monthly remittance. Property Managers are to request the tenant to make remittance for the 1<sup>st</sup> month of the renewal term.

Contractor's Leases - In addition to non-farm leases and farm leases, DOT establishes contractor's lease agreements. A contractor's lease agreement may be negotiated at the request of the contractor, but are based on the recommendations of the District Office or Resident Construction Engineer and approved by the Chief Supervisor. Contractors may request the right to lease land not required as regular right of way (excess land) for the purposes of equipment repair and storage, plant sites and haul roads. A performance deposit/bond in the form of a cashier's check, money order or certified check is required.

Administration of Leases - The lease forms used by the Property Management section are used for all the various types of leases entered into by DOT. All leases should include the following items:

- term of the lease,
- uses to be allowed,
- rental rate,
- cancellation clause,
- insurance requirements and
- civil rights addendum.

Leases are to be signed by the Property Manager responsible for developing the lease and approved by the Chief Supervisor. All rental payments are to be paid by money order, cashier's check, certified check or personal check and tenants are to be instructed to send all rental payments to the DOT's Office of Finance. Monthly rental payments are due on the 1<sup>st</sup> of each month. All other rent is due upon execution or renewal of the lease except in limited situations, the Property Manager may accept rent in 2 installments. Installments should only be accepted in cases where significant acres and a minimum rental payment of \$15,000.00 are involved. In

these cases, the farm lease installment payments must be made 50% in advance of the March 1 lease date and 50% on or before November 1.

Any deviations from the lease agreement should be approved by the Property Management Chief Supervisor and documented in the lease file. Examples of deviations include reductions in rent, rental allowances for tenant provided labor, forgiveness of back rent, mutual benefit rental rates and rental rates below market value.

All leases which are to be renewed should be periodically reviewed to ensure the terms and rental rates are current and reasonable. Leases should be reviewed annually after obtaining and considering recommendations from the District Offices to determine if the lease should be renegotiated. Long-term rentals must be based on the current fair market value and require periodic inspection and rent evaluation every 2 to 3 years.

Lease Testing - We attempted to obtain a listing of all leases DOT established. While DOT personnel were unable to locate a listing of all leases, they provided copies of all the leases they were aware of.

We also obtained a listing of all collections recorded in DOT's accounting system as rent lease revenue. We compared leases obtained from DOT personnel to the descriptions of lease collections to determine if DOT personnel were able to locate all leases established. However, we were unable to determine if each individual lease established was provided. During an interview conducted by DOT officials, the Supervisor of Accounting stated the Office of Finance is unable to determine if a payment received is for an existing contract unless the payment contains a description, such as a contract number.

According to the Supervisor of Accounting, the Office of Finance strongly recommends offices use an online application when the offices establish a lease. The online application tracks the collection of lease payments for individual leases. The online application also requires proper authorization for any changes. However, the use of the online application is not required. As a result, DOT has implemented procedures which require all DOT offices to review and track their leases.

As stated previously, we were unable to determine whether additional collections were diverted because sufficient records, such as a complete listing of all leased property, were not available. In addition, we were unable to identify the source of certain deposits to Mr. Weigel's personal bank accounts. However, during our review of the lease and collection information available from DOT and deposits to Mr. Weigel's personal bank accounts for which the source of deposits was available, we identified concerns which are described in the following paragraphs.

- a) Clarence Myers - During our review of lease documents provided by DOT staff and collections recorded in the accounting system, we determined Clarence Myers had a lease with DOT for farm land in Story County for the period January 1, 1997 through December 31, 2012. In 1997, Mr. Myers remitted a semi-annual payment of \$3,250.00 to DOT. From 1998 through 1999, Mr. Myers remitted \$3,081.25 semi-annually to DOT. Beginning in 2000, he remitted \$2,550.00 semi-annually. We are unable to determine why his lease payments periodically decreased.

Based on our review of the lease document provided by Mr. Myers, he was allowed to pay rent in 2 installments. However, we determined Mr. Myers made only 1 installment in calendar years 2007 and 2009 and did not make any payments in calendar years 2008 and 2010. The 6 payments not made by Mr. Myers total \$15,300.00.

Based on documentation available for our review, invoices were generated by DOT for the lease with Mr. Myers. However, as the Property Manager assigned to monitor this lease, Mr. Weigel cancelled 3 of the invoices. **Table 4** lists the 3 invoices and the descriptions recorded by Mr. Weigel.

**Table 4**

<b>Invoice Date</b>	<b>Invoice Number</b>	<b>Invoice Description</b>	<b>Amount Due</b>
08/23/07	58476	Invoice cancelled due to wet land conditions	\$ 2,550.00
10/15/07	59525	Cancelled, no charge for 2 <sup>nd</sup> installment this year per David	2,550.00
10/16/09	75550	No charge for 2 <sup>nd</sup> installment due to bad tile in area & wetness	2,550.00
Total			<u>\$ 7,650.00</u>

For 1 of the 3 remaining unpaid installments, Mr. Myers issued a \$2,550.00 check to DOT on March 29, 2010. The memo portion of the check included a notation stating “Cash rent 2010.” However, on April 6, 2010, Mr. Weigel wrote a letter to Mr. Myers stating “why don’t we wait for you to pay on the 2010 crop year until we see how your crops are turning out. I am returning your check to destroy. We’ll talk later in the year regarding the payment. The lease coordinator is retiring, so call me directly.” A copy of the letter was obtained from Mr. Myers and is included in **Appendix 8**. The **Appendix** also includes a copy of the check Mr. Weigel returned to Mr. Myers.

According to DOT officials, individuals renting land are required to either make installment or yearly payments despite the condition of the land or yield of the crops. As a Property Manager, Mr. Weigel was responsible for ensuring Mr. Myers paid for the leased land in a timely manner. In addition, according to an interview conducted by 2 DCI agents with the former Property Management Supervisor, the land Mr. Myers was renting was decent property. The former Property Management Supervisor also stated DOT does not forgive rent payments.

The remaining 2 unpaid installments did not have invoices created in DOT’s accounting system. We were unable to determine if Mr. Weigel returned the payments for these periods. The 6 unpaid installments of \$2,550.00 total \$15,300.00. This amount is included in **Exhibit A** as uncollected rent payments.

During an interview conducted by 2 DCI agents, Mr. Myers stated he was unaware he missed that many rent payments. In addition, Mr. Myers stated he trusted Mr. Weigel because he was acting on behalf of DOT. Also, Mr. Myers stated he was told he did not have to make the payments, so he didn’t. According to Mr. Myers, for each occasion he did not make the rent payment, he had a verbal agreement with Mr. Weigel and no official correspondence from DOT.

Mr. Myers also stated he had a \$5,600.00 personal loan from Mr. Weigel to purchase a seed tender container. He stated he custom farmed a plot of land for Mr. Weigel to repay the loan.

After the interview, Mr. Myers provided copies of 2 checks totaling \$8,150.00 from Mr. Weigel’s personal bank account for tilling some land. We were unable to determine if Mr. Weigel and Mr. Myers had an agreement to reduce the price for tilling land as a result of not having to make rent installments to DOT or some other arrangement.

- b) Douglas Rose - During our review of Mr. Weigel’s personal bank statements, we identified 2 checks from Douglas Rose to Mr. Weigel totaling \$13,000.00 for which the memo lines indicated the payments were for rent. The 2 checks are listed in **Table 5**.

**Table 5**

<b>Check Date</b>	<b>Check Number</b>	<b>Check Memo</b>	<b>Amount</b>
12/01/06	1848	DOT Land Rent	\$ 5,000.00
11/31/07*	2116	Rent	8,000.00
Total			<u>\$ 13,000.00</u>

\* - While there are not 31 days in November, the check was dated 11/31/07.

As illustrated by the **Table**, Mr. Rose paid Mr. Weigel \$13,000.00 for rent in 2006 and 2007. We reviewed the leases obtained from DOT personnel and revenue reports for these time periods to determine if Mr. Rose had a lease agreement with DOT for renting land or if DOT received any payments from Mr. Rose for land rent. However, we were unable to locate a written lease with Mr. Rose and we were unable to locate any payments DOT received from Mr. Rose. According to Mr. Weigel's former supervisor, DOT officials realized after Mr. Weigel's resignation he established verbal lease agreements and did not always prepare the required lease documents.

With assistance from a DCI agent, we interviewed Mr. Rose who stated he rents land by Pleasant Hill and Avon but does not have a written agreement with DOT. Mr. Rose stated he has a verbal agreement with DOT, but he has not paid any rent on either property.

Mr. Rose explained he has rented the land by Pleasant Hill and Avon for at least 10 years and the land by Pleasant Hill for 10 years and Mr. Weigel has always been the Property Manager he has worked with. During the interview, Mr. Rose stated, "I have paid nothing in rent and I do not have to pay taxes. It is an awesome deal."

After Mr. Rose stated several times he did not pay rent for the land, we asked him specifically about the 2 checks we found deposited in Mr. Weigel's personal bank account. We showed him copies of the checks and pointed out the notations shown in **Table 5**. According to Mr. Rose, he had purchased various items from Mr. Weigel over the years, including a bull and tractors. He was unable to answer why he would have included the notation "DOT Land Rent" in the memo portion of the check if it was for something other than the land he was renting.

We also obtained Mr. Rose's personal bank statements to determine if he issued any additional checks to Mr. Weigel for rent. We identified 2 additional checks issued to Mr. Weigel which are listed in **Table 6**.

**Table 6**

<b>Check Date</b>	<b>Check Number</b>	<b>Check Memo</b>	<b>Amount</b>
12/01/08	2339	Rent	\$ 2,000.00
11/28/09	2552	Rent	1,000.00
Total			<u>\$ 3,000.00</u>

As illustrated by the **Table**, Mr. Rose paid Mr. Weigel \$3,000.00 in rent in 2008 and 2009. Because Mr. Rose was renting DOT land, Mr. Rose should make rent payments to DOT, not Mr. Weigel. Mr. Weigel, as a Property Manager, was responsible for ensuring a written lease agreement was established and following up on all delinquent leases.

Because Mr. Rose made his rent payments to Mr. Weigel instead of DOT, we included the \$13,000.00 of rent from **Table 5** and the \$3,000.00 of rent from **Table 6**, which total \$16,000.00, in **Exhibit A** as diverted collections.

We discussed the property Mr. Rose has farmed with DOT officials, who stated the property was not excess right of way property and is considered required right of way property which is overseen by the individual DOT District Offices. We also spoke with the Assistant District Engineer of DOT District One. While he was familiar with the property farmed by Mr. Rose, he stated District One had not made arrangements to lease the property and they have never provided oversight for the property. Because neither the Right of Way Office nor District One oversaw how the property was maintained, Mr. Weigel was able to make arrangements he saw fit.

Neither the Right of Way Office nor District One know what is currently being done with the property and no one is collecting rent for it. According to an official in the Right of Way Office, DOT will work with the District offices to ensure all required right of way property is identified and maintained in an appropriate manner.

We also reviewed cash rent rates for Iowa established by Iowa State University Extension and Outreach to determine the amount of rent Mr. Rose should have been paying DOT for land by Avon and Pleasant Hill. As previously stated, Mr. Rose explained he has rented the land by Avon for at least 10 years and the land by Pleasant Hill for 10 years. Both properties are located in Polk County, which is located in District 5 of the 9 districts established by the extension service.

According to Iowa State University Extension and Outreach, cash rent rates for calendar year 2008 through 2012 range from \$191.00 per acre to \$275.00 per acre. Since calendar year 2008, cash rent rates have increased each year.

In addition to reviewing the cash rent rates for Iowa established by Iowa State University Extension and Outreach, we discussed DOT's process for establishing cash rent rates with DOT officials. According to Mr. Weigel's former supervisor, DOT currently uses the rates identified by Iowa State University Extension and Outreach. However, according to Mr. Weigel's former supervisor, cash rent on leases entered into by DOT rarely exceeded \$100.00 per acre prior to December 2010.

Because a lease was not established between DOT and Mr. Rose, we were unable to determine the cash rent rate per acre for the 2 properties rented by Mr. Rose. As a result, we calculated the amount of rent Mr. Rose should have paid DOT for the property by Avon and the property by Pleasant Hill by using the \$100.00 per acre rate typically used by DOT prior to December 2010. **Table 7** summarizes the remaining uncollected rent Mr. Rose should have remitted to DOT for both properties.

<b>Table 7</b>	
<b>Description</b>	
Number of acres for Pleasant Hill property	93
Number of acres for Avon property	63
Total number of acres rented by Mr. Rose	156
x Cash rent per acre	\$ 100.00
Total cash rent due per year	15,600.00
x Number of years Mr. Rose rented properties	10
Total cash rent due for 10 years	\$ 156,000.00
Less: Diverted funds included in <b>Exhibit A</b>	(16,000.00)
Remaining uncollected rent payments	\$ 140,000.00

As illustrated by the **Table**, Mr. Weigel was responsible for ensuring Mr. Rose remitted rent payments to DOT totaling \$156,000.00 over the 10 years identified by Mr. Rose during his interview. However, as previously stated, Mr. Rose issued 4 checks to Mr. Weigel totaling \$16,000.00 between December 1, 2006 and November 28, 2009 for rent which is included in **Exhibit A** as diverted collections.

Because we were unable to obtain copies of all deposits to Mr. Weigel's personal bank accounts, we were unable to determine if any of the \$140,000.00 of uncollected rent was paid to Mr. Weigel rather than DOT. Because DOT did not receive the \$140,000.00 of rent payments calculated in **Table 7**, this amount is included in **Exhibit A** as uncollected rent payments.

**Crop Sharing** - As previously stated, a Property Manager received a phone call from Jacob Walgenbach in June 2011 regarding property he had been maintaining for DOT. It was eventually learned Mr. Walgenbach had been instructed by Mr. Weigel to issue the DOT's portion of the 2010 harvest proceeds from that land to Weigel Properties.

Mr. Walgenbach stated he called because there was a weed problem on the land and it was too late in the season to plant alfalfa or row crop, such as corn and soybeans, as he had done in 2010. Because row crops are not to be planted on property leased by the Property Management section, the Property Manager asked why row crops had been planted and how often. According to Mr. Walgenbach, the property had been in terrible condition and he was instructed to plant row crops to improve its condition. He also stated he received half of the proceeds from the sale of the row crops and the remaining half was remitted to DOT.

While DOT leases farm land for farming purposes, DOT does not participate in crop sharing. Crop sharing is when crops are harvested and sold and the subsequent profits/losses are shared among interested parties. According to DOT officials, DOT may pay individuals to plant covering crops, such as alfalfa or oats, on land being maintained. Even though construction on the highway project for which the land was acquired may not have begun, trucks or other heavy equipment may still need access to the property which would destroy any row crops.

During our review of Mr. Weigel's personal bank statements, we identified a check received from Mr. Walgenbach. A copy of the check is included in **Appendix 9**. As illustrated by the **Appendix**, the \$16,680.25 check was dated October 10, 2010 and issued to Weigel Properties. During an interview with DCI agents, Mr. Walgenbach stated he did not plant row crops for DOT prior to 2010. We did not identify any additional payments from Mr. Walgenbach during our review of Mr. Weigel's personal bank statements.

During an interview with DOT officials, Mr. Weigel explained the payment by stating Mr. Walgenbach rented land from a contractor and needed help with financing. In repayment for his financial support, he and Mr. Walgenbach agreed to share the profit or loss once the soybeans were harvested. However, according to DOT officials, the land Mr. Walgenbach planted in soybeans was owned by DOT and was not leased to a contractor. When we reviewed Mr. Weigel's personal bank statements, we did not identify any payments which indicated Mr. Weigel helped Mr. Walgenbach finance renting the land.

During an interview of Mr. Weigel held with the assistance of a DCI agent, we asked Mr. Weigel about the check. He stated Mr. Walgenbach must have bought something from him that he listed on Craigslist. This explanation is not consistent with the explanation Mr. Weigel provided to DOT officials. The \$16,680.25 Mr. Weigel received from Mr. Walgenbach has been included in **Exhibit A** as diverted collections.

Because sufficient records were not available from DOT and because Property Managers have the ability to handle properties in ways which are not adequately monitored, we are unable to determine if additional crop sharing arrangements were established.



**Other Potential Undeposited Collections** - As previously stated, we reviewed deposits in Mr. Weigel's personal bank accounts to determine the source and identified several deposits which included funds which should have been remitted to DOT. However, we were unable to determine the source for 10 deposits which total \$208,432.85 and 242 additional deposits which total \$172,532.25. As a result, we are unable to determine what portion, if any, of the \$380,965.10 total was improperly deposited to Mr. Weigel's personal accounts. It is possible a portion of these deposits were collections diverted from DOT. The activity in Mr. Weigel's personal bank accounts is discussed in greater detail in a subsequent section of this report.

## **IMPROPER DISBURSEMENTS**

As previously stated, when practical, the Property Management section leases land and improvements as a source of revenue for the public and to lower management expenses. However, Property Managers are responsible for procuring services from contractors or individuals for mowing, snow removal and maintenance services for residential and commercial properties which have not been leased. According to DOT personnel, written contracts are not consistently prepared for services obtained from contractors or individuals.

Property Managers are also responsible for procuring services from contractors or individuals who plant alfalfa or oats to prevent soil erosion on land held by DOT. According to DOT personnel, Property Managers seek out businesses and/or individuals to perform these services. After a business or individual has been identified, the Property Managers are to establish agreements with the business or individual to perform the needed services. However, the agreements are not consistently written in the form of a contract.

Because written agreements were not available for a number of disbursements issued by DOT, we were unable to determine the rate agreed to by the Property Manager and contractor, the length of the agreement or how frequent the services were to be provided. Property Managers are authorized to establish the payment rates, which may be an hourly rate, a rate per acre or a flat fee. According to DOT staff members we spoke with, the location of the job may also affect the rate paid. How frequent the services are to be provided also varies due to a number of factors, such as weather conditions, input from the Property Manager and circumstances of the highway project or condition of the property.

DOT staff members were unable to provide a comprehensive list of all agreements established for mowing, snow removal or other maintenance services. DOT staff members were also unable to provide a comprehensive list of all residential, commercial and farm leases which have been established by Property Managers. However, based on procedures we performed, we identified the following.

**Crop Sharing** - During an interview with DCI agents, Mr. Walgenbach stated he and his father mowed hay on DOT property until his father's death in 2009. Mr. Walgenbach also told DOT officials Mr. Weigel and another Property Manager instructed him to plant row crops to improve the condition of the land. During the interview with DCI agents, he stated 2010 was the first time he planted row crops on the land.

Because Mr. Weigel and the other Property Managers had the ability to authorize payments to contractors and individuals to maintain land held by DOT, we reviewed DOT payment records to identify any payments made to Mr. Walgenbach and identified 5 payments related to planting. The 5 payments identified are listed in **Table 8**

**Table 8**

<b>Invoice Date</b>	<b>Invoice Number</b>	<b>Description of service provided</b>	<b>Amount</b>
07/27/10	192401	Purchase of soybean seed	\$ 6,480.00
07/27/10	192388	Disking, Planting, Spraying	4,800.00
05/24/11	407800	Seeding	8,260.00
05/24/11	407798	Fertilizer, Cultivating, Seeding	4,350.00
05/24/11	408140	Fertilizer	9,300.00
Total			\$ 33,190.00

As illustrated by the **Table**, Mr. Walgenbach received 2 payments in 2010 and 3 payments in 2011. Each payment was authorized by Mr. Weigel. The **Table** also illustrates the 2010 payments were for the purchase and planting of soybeans, which appears to be the crop for which Mr. Walgenbach later shared the sale proceeds with Mr. Weigel.

In addition, the **Table** illustrates Mr. Weigel authorized 3 payments to Mr. Walgenbach before he was terminated from employment in 2011. It is possible Mr. Weigel intended to again share the proceeds from the sale of a crop for which DOT paid the planting costs with Mr. Walgenbach. According to Mr. Walgenbach, there were no proceeds from the sale of crops in 2011 because it was not a good year.

The 5 payments were each under \$10,000. The 2010 invoices, totaling \$11,280.00, were both dated July 27, 2010 and the 2011 invoices, totaling \$21,910.00, were all dated May 24, 2011. According to a DOT official we spoke with, DOT has a policy any payment exceeding \$10,000.00 requires additional staff action, including several supervisors' approval.

Because planting row crops, such as soybeans, is not allowed by DOT, we have included the \$33,190.00 of improper disbursements in **Exhibit A**.

**Leases** – As previously stated, Property Managers may establish farm leases for property which will not be needed for a planned highway project for at least a year. Written lease agreements should be established and maintained at DOT. However, when DOT staff members were contacted by several individuals regarding renewal of their leases, they determined written lease agreements had not been established and filed at DOT for all property Mr. Weigel leased.

For the leases available, we reviewed the supporting documentation to determine if the reimbursements were appropriate and properly approved. In addition, we discussed certain reimbursements with a DOT representative and certain vendors to determine reasonableness and propriety of the payments.

For the individuals identified without a lease, we determined DOT did not make any improper disbursements. We also ensured DOT received periodic payments for the property leased. Because a complete list of leases was not available, we were unable to determine if any additional leases were established by Property Managers. We were also unable to determine if any related reimbursements were improperly disbursed and if any lease payments were improperly diverted.

**Payments to Vendors** – As part of DOT's internal investigation, DOT officials interviewed the Supervisor of Accounting in the Office of Finance. During the interview, the Supervisor of Accounting stated the Right of Way Office, along with 3 other DOT offices, are authorized to establish vendors within DOT's accounting system.

The Supervisor also stated the Office of Finance implemented changes in February 2011 which allow the DOT offices to continue entering vendor information but requires approval of the vendors by the Office of Finance. Also, the Office of Finance implemented controls which do not

allow the employee who created the vendor to create and approve a voucher for that vendor. However, the changes made in February 2011 apply only to new vendors and not to vendors already established in the accounting system.

During the interview, the Supervisor of Accounting stated the Office of Finance allows Right of Way Office employees to distribute checks to the vendors personally rather than placing the checks in the mail. The Supervisor also stated employees of the Office of Finance do not compare the vendor to the accounting system coding when invoices are reviewed prior to payment. Instead, they review invoices to ensure the invoice is properly supported.

As previously stated, maintaining property includes hiring contractors or individuals to perform mowing, snow removal and other maintenance services. However, written agreements are not consistently prepared for these services and we were unable to determine the rate agreed to by the Property Manager and contractor, the length of the agreement or how frequent services were to be provided. As a result, DOT was unable to provide a comprehensive list of all agreements established for maintenance services.

As a Property Manager, Mr. Weigel was responsible for establishing agreements for maintenance services for DOT property located in his assigned district. We obtained copies of all available invoices for maintenance services for the period September 1, 2008 through October 20, 2011 from DOT. DOT did not maintain invoices electronically prior to September 1, 2008.

During our review of the maintenance invoices, we determined rates charged ranged from \$15.00 to \$115.00 per hour or per acre and, in some cases, a flat fee was charged to DOT. We also identified 4 individuals for whom we identified other financial transactions involving Mr. Weigel. The payments to the 4 individuals are discussed in the following paragraphs.

- a) Grady Marx – For the period reviewed, Mr. Marx received 8 payments from DOT totaling \$37,360.00. The payments are listed in **Exhibit C**. As illustrated by the **Exhibit**, the invoices submitted by Mr. Marx show he charged DOT \$20.00 per acre for disking and drilling. In addition, Mr. Marx charged \$50.00-\$100.00 per acre for mowing and \$90.00 per acre for spraying. According to an interview conducted by 2 DCI agents, Mr. Marx stated he was hired to mow barrows and ditches, but Mr. Marx refused to elaborate further.

The **Exhibit** also illustrates Mr. Weigel ordered each of the 8 payments and signed as the Supervisor approving 6 of the 8 payments. Each payment was related to property in Woodbury County.

We identified a \$10,947.50 check Mr. Marx issued to Mr. Weigel on October 27, 2010. The memo portion of the check stated “mowing.” When asked about the check during an interview with 2 DCI agents, Mr. Marx stated he hired Mr. Weigel to mow for him. Mr. Marx was unwilling to answer further questions. We attempted to conduct a subsequent phone interview with Mr. Marx in December 2012, but he declined. When Mr. Weigel was asked about the \$10,947.50 check during an interview, he stated his sons performed some mowing for Mr. Marx. However, it is unclear why Mr. Weigel and/or his sons would travel from central Iowa to Woodbury County in northwest Iowa to perform the mowing described by Mr. Marx and Mr. Weigel.

After the interviews with Mr. Marx and Mr. Weigel, we identified 2 additional checks Mr. Marx issued to Mr. Weigel. When we compared the checks Mr. Weigel received from Mr. Marx to those Mr. Weigel authorized for DOT to issue to Mr. Marx, it became apparent the checks Mr. Weigel received from Mr. Marx were to split proceeds from the checks issued by DOT. The checks Mr. Marx issued to Mr. Weigel are listed in **Table 9** along with the checks Mr. Weigel authorized from DOT to Mr. Marx. Specifically:

- The \$3,367.50 check Mr. Marx issued to Mr. Weigel on July 22, 2010 was half of the amount of the check dated July 15, 2010 Mr. Marx received from DOT. The check from Mr. Marx stated "Seed & Fert." in the memo portion. According to the invoice for the payment from DOT, Mr. Marx provided weeding, spraying, disking, drilling and mowing.
- The \$4,350.00 check Mr. Marx issued to Mr. Weigel on August 31, 2010 was half of the amount of the check dated August 10, 2010 Mr. Marx received from DOT. The memo portion of the check from Mr. Marx stated "1/2 Mowing Job." According to the invoice for the payment from DOT, Mr. Marx mowed Highway 20.
- The remaining check we identified from Mr. Marx to Mr. Weigel was the check both Mr. Marx and Mr. Weigel were questioned about. The amount of the check was \$15.00 less than half of the \$21,925.00 total of the remaining checks Mr. Marx received from the DOT. As illustrated by **Table 9**, the 6 remaining checks from DOT were issued between October 2, 2008 and October 20, 2010. The memo portion of the check from Mr. Marx stated "Mowing." According to the invoice for the payment from DOT, Mr. Marx mowed Highway 20 and purchased weed spray.

Copies of the 3 checks Mr. Marx issued to Mr. Weigel are included in **Appendix 10**.

**Table 9**

Payments from DOT to Mr. Marx*		Checks issued by Mr. Marx to Mr. Weigel		
Date	Amount	Date	Amount	Memo
07/15/10	\$ 6,735.00	07/22/10	\$ 3,367.50	Seed & Fert.
08/10/10	8,700.00	08/31/10	4,350.00	½ Mowing Job
10/02/08	1,600.00			
08/20/09	860.00			
09/16/09	860.00			
10/01/09	1,060.00			
09/28/10	8,845.00			
10/20/10	8,700.00			
Subtotal	21,925.00	10/27/10	10,947.50	Mowing
Total	\$ 37,360.00		\$ 18,665.00	

\* - Authorized by Mr. Weigel

Because it is apparent the checks Mr. Weigel received from Mr. Marx were to split proceeds from the checks issued by DOT, the total \$37,360.00 issued to Mr. Marx by DOT is included in **Exhibit A** as improper disbursements.

- b) Gerald Randleman – During our review of Mr. Weigel's personal bank statements, we identified 3 payments to Gerald Randleman by Mr. Weigel. The checks are listed in **Table 10**. During an interview with Mr. Weigel, he stated he had bought various items from Mr. Randleman, including a car and a dagger collection.

**Table 10**

<b>Check Date</b>	<b>Check Number</b>	<b>Amount</b>
10/01/10	3506	\$ 15,000.00
11/01/10	3507	15,000.00
03/28/11	3596	10,000.00
Total		<u>\$ 40,000.00</u>

We identified 71 payments from DOT issued to Gerald Randleman which total \$129,099.82. The payments are listed in **Exhibit C**. The invoices submitted by Mr. Randleman illustrate he charged \$50.00 per hour for mowing DOT land in Warren County. He also charged a flat fee for other services, such as cutting and stacking branches, clean-up of an office building, clean-up of a construction site, rebuilding a driveway and placing gravel on a drive.

The **Exhibit** also illustrates the last payment to Mr. Randleman was issued after Mr. Weigel's termination. Mr. Weigel ordered each of the remaining 70 payments. He also signed 33 of the related vouchers as the Supervisor to approve the payment. The **Exhibit** also illustrates 2 of the vouchers did not include a Supervisor's signature documenting approval of the payment.

During an interview with a DCI agent, Mr. Randleman said he mowed certain areas of land for DOT and, on occasion, he hired Mr. Weigel's sons to help him. However, he was unable to provide an approximate date or amount paid to Mr. Weigel's sons. When asked about the checks he received from Mr. Weigel, Mr. Randleman stated he sold items to Mr. Weigel.

We reviewed Mr. Weigel's personal bank statements to determine if any checks issued by Mr. Randleman to either Mr. Weigel or his son(s) were deposited to Mr. Weigel's personal bank accounts. We were unable to identify any checks from Mr. Randleman which were deposited by Mr. Weigel or any cash transactions between them. As a result, we have not included any of the payments to Mr. Randleman from DOT in **Exhibit A**.

- c) Jacob Walgenbach – We identified 3 payments to Mr. Walgenbach for mowing which total \$5,100.00. In addition, we identified 19 payments to Mr. Walgenbach for seeding, disking and purchasing oat and alfalfa seed which total \$202,518.40. Of the 19 payments, 5 are included in **Table 8** and **Exhibit A** as improper disbursements because they are associated with crop sharing arranged by Mr. Weigel. Because the remaining 14 payments to Mr. Walgenbach for expenses associated with cover crops appear reasonable, they are not included in **Exhibit A**.

The 3 payments for mowing are listed in **Exhibit C**. As illustrated by the **Exhibit**, the invoices submitted by Mr. Walgenbach did not include a specific hourly rate or cost per acre. However, based on the descriptions included on the invoices, Mr. Walgenbach charged \$20.00 to \$30.00 per acre.

We reviewed Mr. Weigel's personal bank statements to determine if any checks issued by Mr. Walgenbach to either Mr. Weigel or his son(s) for mowing were deposited to Mr. Weigel's personal bank accounts. However, we were unable to identify any checks received from Mr. Walgenbach and deposited by Mr. Weigel for mowing. As a result, we have not included any payments to Mr. Walgenbach in **Exhibit A**.

- d) Stacie Walther – We identified 5 payments issued to Stacy Walther in 2010 for mowing property in Polk County which total \$23,200.00. The 5 payments are listed in **Exhibit C**. As illustrated by the **Exhibit**, Mr. Weigel was the Property Manager who approved the invoices for payment and signed the invoices to document the supervisor's approval. According to DOT officials, Mr. Weigel was not the Supervisor and he should not have provided the Supervisor's approval.

During an interview with DCI agents, Ms. Walther stated she had previously been in a personal relationship with 1 of Mr. Weigel's sons. She also stated Mr. Weigel asked her to provide mowing services in an attempt to find work for his son. Because his son had some prior legal troubles, he was unable to obtain a job.

According to Ms. Walther, she did not own any mowing equipment, but she supervised 2 of Mr. Weigel's sons who mowed assigned areas. Ms. Walther stated she would occasionally drop Mr. Weigel's son(s) off at a mowing job and when the job was completed she went back to pick them up. In addition, Mr. Weigel's sons were tracking their time spent mowing. They reported their time to her and she completed a time summary which was submitted to Mr. Weigel.

After the time summaries were submitted, a check from DOT was sent to her and she cashed the checks she received. According to Ms. Walther, she kept some of the money to pay for gas for the mower(s) and gas for transporting Mr. Weigel's son(s) to the job. The remainder of the cash was provided to Mr. Weigel because Mr. Weigel's son(s) were unable to obtain a bank account. According to Ms. Walther, there were 2 instances when she issued a check from her personal bank account to Mr. Weigel for mowing.

During our review of Mr. Weigel's personal bank statements, we identified 2 checks totaling \$7,250.00 issued by Ms. Walther to Mr. Weigel. The 2 checks, including check date, check number, payee and amount are listed in **Table 11**.

<b>Table 11</b>			
<b>Check Date</b>	<b>Check Number</b>	<b>Payee</b>	<b>Amount</b>
08/30/10	*	Weigel Properties	\$ 3,250.00
09/18/10	2101	Weigel Properties	4,000.00
Total			<u>\$ 7,250.00</u>

\* - Check number was not identifiable.

We compared the 2 checks listed in **Table 11** to the invoices listed in **Exhibit C** and determined Ms. Walther submitted invoices for mowing on August 24, 2010 and September 18, 2010, which appear to correspond to the checks identified in **Table 11**.

We also obtained and reviewed DOT's Policy and Procedures Manual Policy Number 210.02 for Recruitment/Selection/Hiring Process. According to DOT Policy Number 210.02, DOT prohibits nepotism.

Based on Ms. Walther's statements, it is clear Mr. Weigel arranged for the payments to Ms. Walther to avoid DOT's policy which prohibits nepotism. As a result, we have included the \$23,200.00 of mowing payments issued to Ms. Walther in **Exhibit A** as improper disbursements.

- e) Craig Brown – We identified 9 payments totaling \$21,780.00 issued to Craig Brown for mowing services for the period September 10, 1996 through August 25, 1997. According to DOT officials, Mr. Brown is Mr. Weigel's brother-in-law. However, at the time the payments were made, DOT officials were not aware Mr. Weigel was related to Mr. Brown. Based on invoices submitted by Mr. Brown, he provided mowing services in Carroll, Dallas, Jasper, Polk and Warren Counties. Each invoice paid to Mr. Brown was authorized by Mr. Weigel. Additional information was not available to determine the propriety of the payments. Because DOT's policy regarding nepotism was not effective until December 5, 2005, the payments are not included in **Exhibit A**.

Due to lack of supporting documentation, we were unable to determine if there were any additional improper disbursements to vendors.

## **OTHER PROPERTY CONCERNS**

**I-235 Expansion Project** – During our investigation, DOT personnel expressed a concern related to houses acquired by DOT during the I-235 Expansion project. As previously stated, DOT leases residential dwellings until construction begins on the project.

Leases are to be signed by the Property Manager responsible for developing the lease and approved by the Chief Property Manager. All rental payments, except farm leases, are to be paid by money order, cashier's check, certified check or personal check. Monthly rental payments are due on the first of each month. Tenants are to be instructed to send all rental payments to the Office of Finance.

If a residential lease is renewed, a tenant is to receive a letter of lease renewal 30 days in advance of the end of the lease term. The letter is to specify the monthly remittance. Property Managers are to request the tenant to make remittance for the first month of the renewal term.

We attempted to obtain a comprehensive listing of all lease agreements. However, because DOT does not have a tracking mechanism in place, we were unable to determine how many leases were entered into by DOT and the subsequent disposition of those leases. While discussing concerns with DOT staff members, information maintained by a former DOT employee was brought to our attention. As a result, we obtained and reviewed the information provided by the former DOT employee for a lease which was managed by Mr. Weigel.

According to a lease agreement dated December 1, 2000, Mr. Weigel, on behalf of DOT, entered into a residential lease with Chris Ried for a residential property at 1233 23<sup>rd</sup> Street, West Des Moines, IA for \$600.00 per month. At the time the lease was established, Mr. Ried's mother, Nancy Halvorson, was employed in the DOT's Office of Right of Way.

On July 11, 2001, DOT sent a certified letter to Mr. Ried stating he was delinquent on his rent for the months of June and July 2001 and he had 3 days to submit his rent or his lease would be terminated. DOT's lease coordinator continued to send notifications to Mr. Ried for delinquent rent through December 2002, but Mr. Ried was never evicted and the lease was not terminated. According to Mr. Weigel's former supervisor, if a tenant continues to make delinquent payments or discontinues paying all together, DOT is to start the eviction process.

On December 5, 2002, the house rented by Mr. Ried caught fire and was destroyed. As a result of the fire, DOT notified Mr. Ried the residential lease was terminated effective December 5, 2002. According to handwritten notes which appear to have been prepared by Mr. Weigel, DOT did not attempt to collect the unpaid rent, but kept the \$650.00 damage deposit.

We reviewed the invoices DOT issued to Mr. Ried and traced payments from Mr. Ried to DOT's accounting records. We attempted to obtain invoices from DOT for the period December 1, 2000 through December 5, 2002. However, DOT was unable to locate invoices prior to March 1, 2001. In addition, DOT was unable to locate all invoices from March 1, 2001 through December 5, 2002. We obtained revenue reports from DOT to determine if DOT received checks from Mr. Ried for rent.

Using the records obtained from DOT, we determined Mr. Ried owed DOT \$13,200.00 of rent for the period March 1, 2001 through December 5, 2002. However, DOT records show Mr. Ried only paid \$3,000.00 of rent. We attempted to identify any other individuals and/or business which may have paid Mr. Ried's rent but, according to DOT records, no other payments were made for this property.

During an interview conducted by DCI, a DOT Supervisor stated he was unaware Mr. Weigel had entered into a lease agreement with Mr. Ried. The Supervisor also stated Mr. Weigel and

Ms. Halvorson were personal friends and, because Mr. Ried was Ms. Halvorson's son, he would not have permitted Mr. Ried to rent the DOT property. In addition, Mr. Weigel did not have authorization from the Supervisor or authority to forgive unpaid rent.

The \$10,200.00 difference between the amount owed and the amount collected for the property is included in **Exhibit A** as uncollected rent.

DOT did not carry any insurance on the rental properties. DOT sold the property at 1233 23<sup>rd</sup> Street, West Des Moines on November 23, 2003 for \$40,000.00.

**Actions Authorized by Dennis Dobson** – During our investigation, we determined DOT personnel previously had identified concerns regarding actions taken by another Property Management employee. On September 22, 2009, Dennis ("Red") Dobson was placed on suspension with pay pending the completion of an investigation into Mr. Dobson's possible violation of DOT work rules and policies. Based on supporting documentation dated November 12, 2009 we obtained from DOT, Mr. Dobson was terminated as a result of work violations. According to a letter, Mr. Dobson violated the following DOT work rules and policies:

- Insubordination, disobedience, failure or refusal to follow the written or oral instructions of supervisory authority or to carry out work assignments.
- Abuse or misuse of government or private property, materials or equipment.
- Stealing or unauthorized possession or use of government or private property, equipment or materials.

In addition, Mr. Dobson violated the rules when he allowed Karla Turner to move into a house owned by DOT without a rental or lease agreement, without management approval and without following policies and procedures. We were unable to locate any payments DOT received from Ms. Turner for rent. In addition, we were unable to determine the amount of uncollected rent payments because a lease was not completed and DOT personnel were unable to locate any supporting documentation which identified a monthly rental fee.

However, according to a representative of DOT, the market rent for a comparable dwelling in that location in 2009 was \$650.00 per month. Because Mr. Dobson authorized payments of utility bills for the dwelling from April 2009 through October 2009, it appears Ms. Turner resided in the dwelling for at least 7 months. As a result, we determined DOT should have collected \$650.00 per month for the 7 months, which totals \$4,550.00. The \$4,550.00 of uncollected rent is included in **Exhibit A** as uncollected rent payments.

Based on DOT's investigation, Mr. Dobson also inappropriately authorized State funds to provide utilities at the residence. He also attempted to move a pole building owned by DOT to another location for his personal use.

Based on supporting documentation provided by DOT, Mr. Dobson sent an email on September 18, 2009 to the individual residing in the house owned by DOT which stated "The official word is you need to move . . . you have till the end of October and you need to pick up the utilities, until you move. I didn't do it. You said something and it got out of this office and I got suspended without pay and you have to move."

We obtained copies of invoices from DOT for payments made related to the residence the individual occupied. A list of disbursements paid by DOT for the house in which a private citizen was residing is included in **Exhibit D**. As illustrated by the **Exhibit**, DOT incurred expenses related to mowing, gas service and electric service totaling \$1,675.50.



DOT does not pay for utilities and mowing for properties for which a residential lease has been established. In addition, repairs to a stove and welding should not have been incurred by DOT for the property. As a result, the \$1,675.50 of payments listed in **Exhibit D** are included in **Exhibit A** as improper disbursements.

Mr. Dobson appealed his termination and DOT allowed him to resign on May 27, 2010 with the understanding he could not return to employment with DOT. DOT received a call from an individual in March 2010 stating he had cut and made hay bales for DOT but did not receive any compensation. According to an e-mail, a DOT representative requested the individual send in an invoice for review. On April 29, 2010, DOT received the invoice for hay mowing, baling, raking and subsequent loading of 455 bales. According to the invoice, totaling \$7,268.00, the work was completed in July and August of 2009.

On May 18, 2010, DOT officials interviewed the individual to discuss the invoice and obtain further information. According to the individual, Mr. Dobson contacted him in July 2009 to perform work for DOT. He agreed to perform the mowing Mr. Dobson requested and, while he was working the land, an unknown farmer stopped and asked him if the hay bales were for sale. According to the individual interviewed by DOT, he contacted Mr. Dobson to inquire about the sale of the hay bales and Mr. Dobson stated the hay bales were already sold.

The individual stated he loaded the hay bales on 2 trucks in August 2009. The first truck to arrive for the hay bales was driven by Mr. Dobson and the owner of the trucking company. However, the individual was unable to stay long enough for the second truck to arrive. According to the individual, he sent 3 invoices to Mr. Dobson over several months, but Mr. Dobson stated the invoices were never received. In addition, the individual stated the last time he spoke to Mr. Dobson about the invoices was in January 2010 and Mr. Dobson told him he and the owner of the trucking company needed to resolve the matter between themselves.

On May 25, 2010, DOT requested assistance from DCI regarding the concerns identified by the individual. As part of DCI's procedures, the owner of the trucking company was interviewed on June 23, 2010 and Mr. Dobson was interviewed on July 20, 2010. According to the interview conducted on June 23, Mr. Dobson arranged with DOT for the removal of hay bales and Mr. Dobson was going to help haul the hay bales. In addition, the owner of the trucking company received 7 loads of hay and Mr. Dobson may have gotten 2 loads of hay.

According to Mr. Dobson's interview, there was not a contract established between DOT and the individual who baled the hay, which was not unusual for DOT. In addition, Mr. Dobson stated he told the individual the owner of the trucking company would take the hay bales from the ground and the money generated from the hay bales would be enough to cover his expenses and the expenses of the owner of the trucking company to haul away the hay bales. Mr. Dobson stated he had a meeting with his supervisors, including Mr. Weigel, and it was decided DOT would not get involved. However, Mr. Dobson stated the owner of the trucking company hired him to help haul away the hay bales. Mr. Dobson stated he did not receive any hay bales.

On August 12, 2010, DCI interviewed Mr. Weigel and another Property Manager regarding the concerns identified. According to Mr. Weigel's interview, Mr. Weigel knew a contract was not signed between DOT and the individual who baled the hay. In addition, Mr. Weigel stated he was not made aware of this situation until the individual called regarding the invoice. However, Mr. Weigel stated there was a meeting between the Property Manager staff and a person involved who he thought might have been the same individual.

According to the interview of the other Property Manager, he remembered the situation and the meeting with Mr. Dobson and Mr. Weigel. As a result of the meeting, DOT officials decided to let the individual who baled the hay and the owner of the trucking company determine how to resolve the situation.

According to supporting documentation obtained from DOT and DCI, the \$7,268.00 invoice was subsequently paid by DOT on June 14, 2010. Additional procedures were not deemed necessary because Mr. Dobson resigned from employment with DOT and the invoice was paid. However, according to a generic seeding agreement written by DOT, a per bale fee will be charged to the farmer if hay is harvested. The amount depends on the type of bale at the time of harvest and the fee will be agreed upon at that time. Because the seeding agreement does not include a specific fee, we were unable to determine the amount DOT should have received for the sale of hay bales.

## **ADMINISTRATIVE OVERSIGHT**

During our investigation, we identified the following additional concerns.

- On 2 separate occasions, DOT officials identified improper actions taken by Mr. Weigel. For each instance described in the following paragraphs, DOT officials did not take any action which limited Mr. Weigel's ability to act improperly in the future.
  - As previously stated, Mr. Weigel was demoted to a ROW Agent I with a decrease in salary on May 20, 1998. We spoke with Mr. Bates, who was Mr. Weigel's supervisor at the time of the demotion. According to Mr. Bates, Mr. Weigel hired firms he had an interest in while he was the Property Manager for the I-235 expansion project. As a result, he accepted unauthorized rewards relating to his job as a Property Manager.

According to Mr. Bates, DOT officials considered terminating Mr. Weigel's employment as a result of the concerns identified. However, because the rates charged by the vendors with which Mr. Weigel was involved were so much lower than the rates of other vendors, DOT officials did not believe Mr. Weigel actually profited from the payments he authorized. While Mr. Bates stated DOT officials were confident the work billed to DOT was done, we have no way to verify it was actually performed.

Also, as previously stated, Mr. Weigel was reinstated to a ROW Agent II position on June 28, 1999.

- As previously stated, DOT officials interviewed Mr. Weigel on February 2, 2007 about a complaint regarding DOT property located in Tama County which he sold to Lee and Karen Judge. Notations in Mr. Weigel's personnel file document Mr. Bates and another DOT official concluded at the end of their internal investigation Mr. Weigel was very open and forthcoming during the investigation. They also documented Mr. Weigel was able to answer several of their questions prior to the question being asked.

Mr. Bates and the other DOT official had the opportunity to confirm the answers Mr. Weigel provided during the interview. However, the notations in the file do not indicate they performed any additional procedures and they accepted Mr. Weigel's explanations at face value. In addition, they failed to pursue why DOT only received \$80,000.00 for the property when it was sold for \$125,000.00. Because further procedures were not performed, DOT did not receive the additional \$45,000.00 from the sale of the property

We were unable to determine if additional instances of improper actions by Mr. Weigel came to the attention of DOT officials. However, if Mr. Weigel had been terminated from employment in 1998 rather than suspended, he would not have been able to carry out any of the transactions summarized in **Exhibit A**.

In addition, if additional procedures had been performed by DOT officials while looking into the complaint related to the property sold to Mr. and Mrs. Judge, DOT may have been able to recover the \$45,000.00 and prevent similar diverted collections from the properties sold to Mr. and Mrs. Fetters and Mr. Wood.

- As part of our investigation, we reviewed all interviews conducted by DOT during its internal investigation regarding the properties in Polk County which Mr. Weigel arranged to sell to Mr. Marx. During an interview with the Supervisor of Accounting, she stated when the Office of Right of Way conducts condemnation acquisitions, condemnation employees prefer to have a check written to the potential seller prior to meeting because it facilitates negotiations.

According to the Supervisor of Accounting, condemnation employees have explained the court has ordered a particular check or the sheriff needs the check. According to the Supervisor of Accounting, when offices provide explanations which appear reasonable, they trust the offices are conducting business in good faith.

Because checks are written prior to the finalization of the sale and supporting documentation is not required, the check preparer and the reviewer would not have a way to verify the legitimacy of the transactions.

- As previously stated, neither the Office of Right of Way nor District One personnel were monitoring a particular parcel of property in Polk County. As a result, Mr. Weigel was able to lease the property to Mr. Rose without anyone's knowledge. We determined records for excess and required right of way property are not centrally located and maintained. As a result, this lack of communication provides other Property Managers or Office of Right of Way employees to potentially lease property and divert collections to which DOT is entitled.

#### **SUMMARY OF DAVID WEIGEL'S PERSONAL BANK ACCOUNT ACTIVITY**

We obtained and reviewed personal bank account activity for accounts held by Mr. Weigel to identify the source of certain deposits. We identified 7 personal bank accounts held by Mr. and/or Mrs. Weigel at 5 financial institutions. Brief descriptions of the accounts identified are listed below.

- First Federal Savings Bank of Iowa – We identified 2 accounts at First Federal Savings Bank of Iowa. Each account was held by David and Barbara Weigel. The account which appears to be Mr. and Mrs. Weigel's primary household account was opened prior to January 1, 2005; however, the bank was unable to provide statements and transaction images prior to January 2005. The 2<sup>nd</sup> account was opened in October 2010. In June 2012, First Federal Savings Bank of Iowa was consolidated into Great Western Bank.
- Peoples Trust and Savings Bank – The account identified was held by Weigel Properties, David Weigel and Barbara Weigel. The account was opened on August 23, 2007 and closed on March 2, 2012.
- Greater Iowa Credit Union – The account identified was held by Barbara Weigel. It was opened prior to March 3, 2008, but the bank was unable to provide statements and transaction images prior to March 2008.
- Great Western Bank – The account identified was held by David and Barbara Weigel. The first statement available from Great Western Bank was for a 7-day

period ended May 19, 2008. Prior to this period, the bank was known as F & M Bank and earlier statements were not available.

- Earlham Savings Bank – David Weigel and Barbara Weigel each have their own account at Earlham Savings Bank. Mrs. Weigel's account was opened on December 30, 2011 and Mr. Weigel's account was opened on March 28, 2012.

Using the first available statement for each account, we determined the balance of Mr. and Mrs. Weigel's bank accounts. Specifically, the opening balance of their primary account at First Federal Savings Bank of Iowa was \$7,279.57 in January 2005. The opening balance of their account at Greater Iowa Credit Union was \$578.83 in March 2008. While a beginning balance was not available for the account Mr. and Mrs. Weigel held at Great Western Bank, the ending balance in the account was \$550.00 on May 19, 2008.

By June 30, 2012, the amount in Mr. and Mrs. Weigel's personal bank accounts increased substantially. **Table 12** summarizes the June 30, 2012 balances for each account which remained open.

<b>Table 12</b>	
<b>Bank</b>	<b>Amount</b>
First Federal Savings Bank of Iowa	\$ 46,821.57
Greater Iowa Credit Union	4,535.57
Earlham Savings Bank:	
Barbara Weigel's account	80,796.44
David Weigel's account	25,696.02
Total	<u>\$ 157,849.60</u>

We reviewed the activity in the bank accounts identified for the periods for which statements were available. As previously stated, we identified deposits to and payments from Mr. Weigel's personal bank accounts which involved individuals to whom Mr. Weigel authorized payments from DOT and individuals who purchased property from DOT and paid a portion of the purchase price to Mr. Weigel. We also identified a number of checks issued from certain accounts held by Mr. and/or Mrs. Weigel and deposited to other accounts they held.

**Table 13** summarizes the financial transactions from Mr. and Mrs. Weigel's personal bank accounts, except the checks issued from certain bank accounts held by Mr. and/or Mrs. Weigel and deposited to other bank accounts they held. We used supporting documents available through the period ended June 30, 2012, such as deposit slips, images of checks deposited to the accounts, teller cash-in tickets, images of checks drawn on the accounts and withdrawal slips, to determine the source of deposits and the types of payments described in **Table 13**. Certain activity from the accounts is discussed in greater detail following the **Table**.

**Table 13**

Description	Accounts Held at		Total
	First Federal Savings Bank of Iowa	Other Banks	
<u>Deposits:</u>			
Payroll	\$ 391,409.37	252,327.90	643,737.27
From individuals involved in DOT transactions	124,065.00	142,566.25	266,631.25
Loan proceeds	-	353,673.56	353,673.56
Cash advances	108,800.00	8,000.00	116,800.00
Tax refunds	21,083.37	-	21,083.37
Undeterminable (images not available)	377,965.10	-	377,965.10
Other:			
Mr. Weigel's sons' income	123,388.65	-	123,388.65
Sale of livestock/crops	99,326.94	-	99,326.94
Sale of tractors/equipment	64,829.75	-	64,829.75
Rent income	60,575.00	-	60,575.00
Income from family members	7,500.00	116,454.10	123,954.10
Cash	5,450.14	-	5,450.14
Personal loan repayments	5,300.00	2,800.00	8,100.00
Miscellaneous	35,092.99	22,667.04	57,760.03
Subtotal of Other	401,463.47	141,921.14	543,384.61
Total deposits (net of transfers)	\$ 1,432,065.88	899,067.68	2,331,133.56
<u>Payments:</u>			
Credit card payments	\$ 195,822.92	12,348.32	208,171.24
Loan repayments	223,698.75	426,984.87	# 650,683.62
To individuals involved in DOT transactions	50,000.00	-	50,000.00
Gambling	4,807.50	13,490.75	18,298.25
Miscellaneous types of payments	206,888.12	125,623.19	332,511.31
Undeterminable (images not available)	869,751.71	43,867.83	913,619.54
Total payments (net of transfers)	\$ 1,550,969.00	622,314.96	2,173,283.96

# - Payoff on loan with Peoples Trust and Savings was made from a mortgage account Mr. and Mrs. Weigel established at Earlham Savings Bank in the amount of \$420,000.00. Therefore, no proceeds from this loan were deposited into the bank accounts included in the **Table**.

Certain transactions identified during our review of the account activity are discussed in detail in the following paragraphs.

- Undeterminable Deposits - As previously stated, when we reviewed deposits in Mr. Weigel's personal bank accounts to determine the source, we identified several deposits which included funds which should have been remitted to DOT. However, we were unable to determine the source of all deposits to Mr. and Mrs. Weigel's personal bank accounts. As a result, we are unable to determine what portion, if any, of these deposits include funds diverted from DOT.

As illustrated by **Table 13**, we were unable to determine the source of \$380,965.10 deposited to Mr. and Mrs. Weigel's personal bank account at First Federal Savings Bank of Iowa. Because we were unable to determine the source of these deposits,

we are unable to determine what portion, if any, of the \$380,965.10 was improperly deposited to the accounts. The size of some of the deposits identified in the accounts is unusually high. The deposits for which supporting documentation was not available are summarized in **Table 14**.

<b>Table 14</b>		
<b>Deposit Amount</b>	<b>Number of Deposits</b>	<b>Total Amount</b>
Less than \$500.00	127	\$ 4,692.90
\$500.00 to \$2,999.99	113	158,439.35
\$3,000.00 to \$9,999.99	2	9,400.00
Over \$10,000.00	10	208,432.85
Total	252	\$ 380,965.10

**Table 15** lists the 10 deposits which exceeded \$10,000.00 for which supporting documentation was not available.

<b>Table 15</b>	
<b>Deposit Date</b>	<b>Amount</b>
05/23/05	\$ 10,000.00
05/23/05	39,800.00
06/06/05	13,400.00
09/02/05	38,977.20 *
10/14/05	12,947.42
06/23/06	12,949.23 *
06/29/07	30,000.00
12/26/07	10,500.00
02/20/08	26,000.00
03/16/09	13,859.00 *
	<u>\$ 208,432.85</u>

\* - We were unable to locate supporting detail, but we were able to locate a deposit slip.

- Sale of Tractors/Equipment - As illustrated by **Table 13**, we also determined \$64,829.75 was deposited to Mr. and/or Mrs. Weigel's personal bank accounts which is described as proceeds from the sale of tractors or other equipment. Of this amount, \$48,275.00 was described in bank records as proceeds from selling 7 tractors. On several occasions, individuals we interviewed referred to tractors sold to or purchased from Mr. Weigel. Specifically:
  - When we asked Mr. Rose about 2 checks he issued to Mr. Weigel, he stated he purchased a bull and tractor from Mr. Weigel; however, the memo line of the check stated "DOT Land Rent" or "Rent." These checks are described in **Table 13** as deposits from individuals involved in DOT transactions.

- During an interview with Mr. Weigel, he stated a \$10,000.00 payment to Mr. Rueter in December 2006 was for the sale of a 56 New Holland tractor. However, Mr. Rueter stated during his interview the check was for the DOT property he purchased in Tama County in 2006. A copy of the check is included in **Appendix 6**. Because the check did not include a notation it was related to the sale of a tractor, it is described as a payment to an individual involved in DOT transactions in **Table 13**.

Because we identified 2 instances in which deposits to and a payment from Mr. Weigel's personal bank accounts were described as the purchase or sale of a tractor when they were actually related to improper actions taken by Mr. Weigel as a DOT Property Manager, we were unable to place any reliance on the bank records which describe the \$48,275.00 of deposits as proceeds from tractor sales. We are unable to determine what portion, if any, of the \$48,275.00 are funds diverted from DOT.

- Transfers between Accounts - During our review of the personal bank accounts, we also identified a number of instances in which funds were moved between Mr. and Mrs. Weigel's personal bank accounts. Specifically, we identified:
  - 59 checks issued from personal bank accounts held by Mr. and/or Mrs. Weigel which we could trace to a specific deposit in another of their accounts.
  - 54 checks issued from personal bank accounts held by Mr. and/or Mrs. Weigel which we could trace a deposit in another of their accounts which appears to include the check. However, the supporting documentation for the deposit was not available to ensure the check was included in the amount deposited. In some instances, the amount deposited was greater than the check amount, indicating other checks or cash was deposited along with the check from Mr. and/or Mrs. Weigel. In other instances, the amount deposited was less than the check amount, indicating some proceeds from the check may have been withheld by the individual making the deposit.

The 113 instances identified total \$409,224.69. Of this amount, \$218,100.00 was moved from Mrs. Weigel's account held at Greater Iowa Credit Union to the First Federal Savings Bank of Iowa.

We are unable to determine if additional funds were moved between the various bank accounts because supporting documentation is not available for a number of deposits made to the accounts held at First Federal Savings Bank of Iowa.

- Deposits from Individuals Involved in DOT Transactions – The \$266,631.25 of deposits identified in **Table 16** from individuals involved in DOT transactions includes the following amounts.

**Table 16**

Source of Deposit	Page in Report	Date Deposited	Amount
Grady Marx	14	12/20/10	\$ 99,000.00 ^
	41	(1)	18,665.00 ^
	-	06/20/08	1,000.00
			<hr/> \$ 118,665.00
Lee and Karen Judge	24	12/01/06	55,000.00
Dan and Debbie Fetters	26	05/18/07	25,900.00 ^
Douglas Rose	35	12/03/07	8,000.00
	35	12/04/06	5,000.00
	35	(2)	3,000.00
			<hr/> 16,000.00
Jacob Walgenbach	37	10/15/10	14,680.25 ^
Stacy Walther	43	(3)	7,250.00
Stephen Banks	22	(4)	28,136.00
Tara Carlson	-	01/06/06	1,000.00
Total			<hr/> \$ 266,631.25

^ - Deposit is net of cash withheld.

(1) Includes 3 checks deposited on 07/24/10, 09/04/10 and 10/29/10.

(2) Includes 2 checks issued on 12/20/08 and 11/28/09, respectively.

(3) Includes 2 checks deposited on 09/01/10 and 09/28/10.

(4) In addition to a \$10,000.00 check deposited on 10/06/10 (page 22), a \$4,500.00 check was deposited on 08/04/05 and a \$13,636.00 check was deposited on 03/28/12. The check deposited in March 2012 was after Mr. Weigel left DOT's employment.

As illustrated by the **Table**, most of the deposits have been discussed previously in the report. However, of the \$14,500.00 deposited from Stephen Banks, only \$10,000.00 was previously discussed. The remaining \$4,500.00 was paid to Mr. Weigel by Mr. Banks in 2005. We are unable to determine what the payment was for. We were also unable to determine why Mrs. Banks (Tara Carlson) paid \$1,000.00 to Mr. Weigel in early 2006.

- Payments to Individuals Involved in DOT Transactions – The \$50,000.00 of payments identified in **Table 13** to individuals involved in DOT transactions includes \$10,000.00 Mr. Weigel paid to Todd Rueter on December 4, 2006 and \$40,000.00 he paid to Gerald Randleman. These transactions are discussed on pages 20 and 28, respectively.

The \$266,631.25 of deposits to Mr. Weigel's personal bank accounts listed in **Table 16** were deposited to personal bank accounts held at 3 financial institutions.

**Peoples Trust and Savings Bank** - The deposits summarized in **Table 16** include \$128,930.25 deposited to the account Mr. Weigel held at Peoples Trust and Savings Bank. As previously stated, the account was opened on August 23, 2007. **Table 17** summarizes all deposits made to the account between August 23, 2007 and its closing on March 2, 2012.



**Table 17**

<b>Description</b>		<b>Amount</b>
Deposits:		
From individuals involved in DOT transactions		\$ 128,930.25
From others:		
Michael/John Reilly	\$ 12,600.00	
Glen Miller	24,600.00	
Insurance companies	870.94	38,070.94
Loan proceeds		253,673.56
Transfers from other accounts		173,500.00
Interest		88.55
Total		<u>\$ 594,263.30</u>

The \$12,600.00 received from Michael and John Reilly is composed of 2 checks. Each check was for \$6,300.00 and described as "1<sup>st</sup> ½ rent" in the memo portion of the checks. The checks were deposited on March 3, 2009 and March 2, 2010, respectively. We reviewed DOT's records and were not able to identify any property Michael or John Reilly leased from DOT. As a result, we are unable to determine if these amounts were diverted from DOT.

The \$24,600.00 received from Glen Miller was a single check deposited on February 11, 2008. The check did not include any notations in the memo portion. We reviewed DOT records but were unable to identify any property leased or purchased from DOT by Mr. Miller. As a result, we are unable to determine if the \$24,600.00 was diverted from DOT.

After July 1, 2011, only interest was deposited to Mr. Weigel's personal bank account held at Peoples Trust and Savings Bank.

**Earlham Savings Bank** – The deposits summarized in **Table 16** include \$13,636.00 deposited to the account Mr. Weigel held at Earlham Savings Bank. Mr. Weigel's account was not opened until March 28, 2012 and did not include a significant amount of activity.

**First Federal Savings Bank of Iowa** - The remaining \$124,065.00 of deposits summarized in **Table 16** was deposited to the account Mr. Weigel held at First Federal Savings Bank of Iowa, which is currently known as Great Western Bank. As stated previously, the account appears to be Mr. and Mrs. Weigel's primary household account and it was opened prior to January 1, 2005.

The deposits to the account total \$250,128.63 for the year ended June 30, 2011. The total deposits in the account decreased to \$113,747.89 for the year ended June 30, 2012, which is approximately 45% of the amount deposited the previous year. Because First Federal Savings Bank of Iowa did not provide supporting documents for all deposits to the account, we are unable to determine the composition of the individual deposits.

The activity in the accounts Mr. and/or Mrs. Weigel held at Peoples Trust and Savings Bank and Greater Iowa Credit Union did not change significantly between the years ended June 30, 2011 and June 30, 2012.

## **IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) BENEFITS**

We reviewed the activity in Mr. Weigel's bank statements following his resignation from DOT to determine if we could identify any activity related to his prior employment with DOT. As previously stated, Mr. Weigel is employed by the construction and agricultural equipment retail business owned by Mr. Rueter, who had been involved in the purchase of property from DOT for which Mr. Weigel was the Property Manager. Mr. Weigel is a salesman at Mr. Rueter's business and began receiving electronic payroll deposits from the business in September 2011.

We also determined Mr. Weigel began receiving IPERS benefits in December 2012. Although Mr. Weigel was not eligible for full retirement benefits from IPERS at the time of his resignation, he became eligible for reduced "early retirement" benefits approximately 4 months after his resignation. However, the first payment he received from IPERS was for \$28,576.76. A lump sum payment of this nature would not be a normal occurrence for someone who elected to receive "early retirement" benefits. As a result, we asked an IPERS representative why Mr. Weigel received the payment. According to the IPERS representative, the payment was for IPERS disability benefits for August 2011 through October 2012. Mr. Weigel also received monthly IPERS benefits following receipt of the initial payment. Mr. Weigel deposited a total of \$34,161.43 of IPERS benefits to his personal bank accounts between December 3, 2012 and March 1, 2013.

Because we had not previously been made aware Mr. Weigel had a disability, we obtained and reviewed documentation maintained by IPERS for Mr. Weigel to determine the propriety of the disability payments. The documentation included a form titled Employer Verification of Employment which was signed by an Accounting Technician within DOT's Office of Finance. Question #6 on the form stated Mr. Weigel was retiring because of a disability. To verify Mr. Weigel's disability, we discussed the form with a representative of DOT's Office of Employee Services (OES).

After consulting with a co-worker, the representative stated the response to question #6 on the form was not correct and OES staff members were not aware the form had been completed for Mr. Weigel. According to the representative, Mr. Weigel did not retire from DOT because of a disability. Instead, Mr. Weigel resigned in lieu of termination during DOT's internal investigation regarding the attempted sale of excess right of way property in Polk County to Mr. Marx.

The representative we spoke with stated an Accounting Technician rather than an OES employee was authorized to complete the form, but OES should have received a copy of the form to file in Mr. Weigel's personnel file. OES representatives determined a copy of the form was not included in Mr. Weigel's personnel file.

When we discussed the established procedures with employees from OES and DOT's Office of Finance who are responsible for completing the form, both employees stated the last day of employment and the employee's last paycheck which included IPERS deductions are verified by an OES or Finance representative using the payroll system. In addition, both staff members stated they review FMLA, sick leave and long-term disability records, if necessary, to determine if the employee is retiring because of a disability. However, they are often already familiar with the employee's situation when the employee is eligible for disability retirement.

We reviewed Mr. Weigel's Employer Verification of Employment form with the DOT representative who signed it. The DOT representative stated she recalled processing the form, which was completed when it came to her. When asked why the response to question #6 indicated Mr. Weigel was retiring because of a disability, she stated, "He was not disabled" and stated she should have crossed out the "yes" response to the question and marked "no" instead.

During discussion about the form, a DOT representative also stated IPERS representatives have told them they "don't care" about any information on the form other than the date of the employee's last paycheck from which IPERS contributions were withheld. She also stated IPERS

does not rely on the other information on the form because IPERS has other verification methods to determine eligibility.

We also discussed the Employer Verification of Eligibility form with an IPERS representative to determine their expectations about how the form should be completed. According to the representative, employers are responsible for verifying the last day of employment and the date of the last paycheck from which IPERS contributions were deducted. The employer is expected to complete the remaining questions to the best of their ability, but no documentation verifying a disability claimed by an employee is required.

According to IPERS representatives, IPERS verifies the member (former employee) is receiving Social Security benefits by requiring the member to submit a copy of the Notice of Award which the member received from SSA. IPERS relies on SSA's process for determining eligibility and does not require the member to submit documentation from a doctor or any other source to verify the member's disability because IPERS does not have the resources to verify disability. IPERS representatives also stated members are sent an Annual Disability Verification Request form which requires them to submit proof they are still receiving social security disability benefits. In response to a request IPERS sent to Mr. Weigel in February 2013, he submitted a copy of a letter from SSA to reaffirm his on-going disability benefits.

The documentation obtained from IPERS includes a Disability Benefits form completed by Mr. Weigel and a Notice of Award letter from SSA. The Disability Benefits form states Mr. Weigel retired because of a disability and he had been awarded Social Security benefits. In addition, the Notice of Award letter stated Mr. Weigel became disabled on June 10, 2010, over a year before he retired from DOT.

Because concerns were identified regarding Mr. Weigel's eligibility for disability, SSA was contacted regarding Mr. Weigel's eligibility to receive Social Security disability benefits. Based on that contact, SSA has initiated an investigation into potential misrepresentation of disability by Mr. Weigel. This matter has been referred to IPERS to monitor SSA's investigation to determine if any IPERS benefits to Mr. Weigel may have been based on inaccurate information and should be recovered.

## Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Iowa Department of Transportation (DOT) to process various fees received. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. During the course of our investigation, we made recommendations to further strengthen the DOT's internal control. Some of the recommendations identified below have been implemented by DOT.

- A. Property Managers' Duties Not Properly Segregated - Property Managers are responsible for securing services for properties which are to be maintained by DOT, establishing lease agreements with individuals who lease properties from DOT and making arrangements to sell excess properties held by DOT after the completion of a highway project.

Based on our observations and procedures performed, we determined the duties for maintaining, leasing and disposing of properties held by DOT are not properly segregated. Specifically, Property Managers make the following decisions.

- Maintaining property – Property Managers are responsible for hiring contractors or individuals to perform mowing, snow removal and other maintenance services. However, written agreements are not consistently prepared for these services. During our review of the maintenance invoices, we determined rates charged ranged from \$15.00 to \$115.00 per hour or per acre and, in some cases, a flat fee was charged to DOT.

DOT did not have controls in place to ensure contractors or individuals were hired by the Property Managers in a competitive manner. In addition, DOT did not have controls in place to ensure the hourly rate or flat fee charged to DOT was appropriate.

- Leasing property - Property Managers may establish leases for property which will not be needed for the planned highway project for at least a year. While written lease agreements should be established and maintained at DOT, it was determined written lease agreements had not been established and filed at DOT for certain properties leased by a Property Manager.

In addition, DOT did not have controls in place to ensure the amounts of the leases established by the Property Managers were appropriate or if all lease payments were properly billed, collected and deposited. These duties are assigned to the Property Managers.

- Excess property sales – Once it has been determined excess property will be sold by DOT, the Property Managers have a number of steps to take to properly dispose of the property. For each step, DOT relies on the Property Managers to make a decision which is in the best interest of DOT. Specifically, the Property Managers are responsible for the following duties.
  - Property Managers are responsible for determining if an appraisal should be performed for the property. DOT requires appraisals for properties with values which exceed \$25,000.00. The Property Managers may prepare value opinions for properties valued at less than \$25,000.00. Whether the property's value exceeds \$25,000.00 or not is based on the Property Manager's experience and knowledge of prior transactions related to the property. Because an independent appraisal is not always required, a Property Manager may document in the patent file the property is valued at less than \$25,000.00 and record the property was sold for significantly less than what it is worth.

- Property Managers are responsible for identifying and contacting the previous owner and adjacent and abutting property owners regarding the sale of the property to ensure compliance with section 306.23 of the *Code of Iowa*. If the previous owner and adjacent and abutting property owners are not interested in the property for the appraised value, the Property Managers are responsible for advertising and holding a sealed bid for the sale of the property. When the sealed bids are opened, the Property Managers are responsible for determining if the highest bid was within a reasonable amount of the appraised value, if the property should be sold for the highest bid amount or if it should be held by DOT to be sold at a future date when a better price may be obtained.

In addition, Property Managers are responsible for ensuring the related documentation to support the actions taken are properly included in DOT's records. We identified a number of instances for which the appropriate documentation was not maintained or the documentation in DOT's records did not accurately reflect the actions taken by the Property Manager. These instances are discussed in more detail in the following findings. As a result of the concerns identified, we determined no reliance could be placed on the information presented in the records prepared by the Property Managers.

Recommendation – DOT officials should establish policies and procedures to ensure the duties associated with maintaining, leasing and disposing of DOT property is properly segregated among DOT employees. The decisions made and actions taken by Property Managers should be reviewed by other DOT staff members in a reasonable time during the course of normal operations to allow timely detection of irregularities.

- B. DOT Oversight – DOT has a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the Right of Way's (ROW) operations and maintain the public trust. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity. In addition, DOT is responsible for taking appropriate action when employees do not comply with DOT procedures or personally benefit from DOT funds.

Based on our observations and procedures performed, we determined DOT failed to exercise proper fiduciary oversight. The lack of appropriate DOT fiduciary oversight and failure to ensure implementation of adequate internal controls permitted employees to exercise too much power over the operation of the Property Management section. Specifically, adequate controls were not established over:

- leases established by Property Managers,
- contracts for mowing, snow removal and other maintenance services and
- disposal of excess right of way property through sales.

In addition, the potential exists for employees of the Offices of Right of Way, Purchasing, Motor Vehicle and Claim Management to create fictitious vendors in order to divert funds from DOT because:

- Prior to February 2011, employees were authorized to establish vendors within DOT's accounting system. While controls were implemented in February 2011 which do not allow employees who create a vendor to create and approve a voucher for that vendor, the changes apply only to new vendors and not to vendors already established in the accounting system.
- The Office of Finance gives checks to Office of Right of Way (ROW) employees for the vendors rather than placing the checks in the mail for distribution.
- Checks are written in advance of a condemnation acquisition without supporting documentation and prior to the sale being finalized.

In addition, we determined Property Managers were not establishing seeding agreements in the manner in which they were described by a former supervisor. As a result, it is possible funds from the sale of hay bales may have been diverted from DOT.

Recommendation – DOT fiduciary oversight is essential and should be an ongoing effort by all levels of management throughout DOT. Appropriate policies and procedures should be adopted, implemented and monitored to ensure compliance with established policies and procedures. In the future, DOT should exercise due care and require and review pertinent information and documentation prior to making decisions affecting DOT.

DOT should implement policies and procedures to ensure all vendors created are reviewed and are a legitimate vendor prior to establishment in the accounting system. In addition, supporting documentation, such as a taxpayer ID, should be provided and included when establishing vendors. DOT should review the reasonableness and necessity of allowing other DOT offices to establish vendors. DOT should discontinue providing checks to ROW employees. All checks should be distributed via mail. In addition, DOT should discontinue preparing checks prior to the finalization of a sale without supporting documentation.

In addition, DOT should implement procedures to ensure all agreements are followed or review current agreements to determine if there is a more efficient way to collect fees on the harvest of hay.

- C. Disposal of Property – Based on our testing, we identified several pieces of property which were sold in a manner which resulted in DOT not receiving the full amount paid. For each instance identified, Mr. Weigel was the Property Manager. However, the policies, procedures and controls were established in such a manner in which improper sales could have been made by other Property Managers and not have been identified by ROW staff in a timely manner.

Specifically, 3 properties were sold in 2006, 2007 and 2010 which resulted in \$271,000.00 being diverted from DOT. Of the amount diverted, \$171,000.00 was deposited in the personal bank account of a Property Manager and \$100,000.00 was deposited by a DOT vendor. For these properties, we also determined:

- The file for the property sold to Lee and Karen Judge contains documents which show the property was sold by a sealed bid which was awarded to Todd Rueter for \$80,000.00. The file contains a copy of a \$10,000.00 check from Mr. Rueter to DOT as a deposit for the property.

However, the Income Deposit form in the file had Mr. Rueter's name scratched out and it was replaced by Mr. and Mrs. Judge. In addition, Mr. Judge issued 2 checks for the property. He issued a \$70,000.00 check to DOT and a \$55,000.00 check to Mr. Weigel. Mr. Weigel also issued a \$10,000.00 check to Mr. Reuter as repayment for the deposit he made to DOT for the property.

- The file for the property sold to Dan and Debbie Fetters contains documents which indicate an LLC had acquired the rights to the property from the original owner. In addition, Mr. Fetters stated he was required to pay Mr. Weigel, a DOT Property Manager, \$26,000.00 for the rights to purchase the property.
- Robert and Anthony Wood stated they were required to pay Grady Marx, a DOT vendor, \$200,000.00 for the rights to purchase property in Floyd County.

According to a DOT official, Property Managers allowed excess right of way property to be sold to individuals who acquired rights to the property prior to December 2010.

We also determined certain DOT employees purchased property using a Limited Liability Corporation (LLC) name. Because LLC's were used to purchase property, DOT was unable to determine the name of the buyer to ensure compliance with DOT policy.

In addition, we identified property sold for less than appraised value which was subsequently re-sold for a higher value. In accordance with DOT policy, excess property disposed of for less than \$25,000.00 does not require a staff action, or a review by a supervisor. As a result, excess property may be sold for significantly less than its appraised value and the supervisor's review is not required.

Based on testing performed, we have no assurance all improper disposal of property transactions were identified.

Recommendation – DOT should establish policies, procedures and internal controls which ensure all disposals of property comply with section 306.23 of the *Code of Iowa*. In accordance with advice DOT officials have obtained from its legal counsel, DOT should continue prohibiting Property Managers from selling excess right of way property to individuals who report having obtained rights to the property rather than the original property owners. In addition, DOT should ensure all disposals of property include an independent appraisal and are reviewed by an independent supervisor.

Also, DOT should implement policies and procedures to ensure DOT staff determine who are the registered agent and/or officials of all LLC's or other forms of corporations which purchase property from DOT. DOT staff members should also implement procedures to ensure the registered agent and/or officials are not employed by DOT or associated with DOT employees to ensure compliance with DOT policy.

In addition, DOT should implement procedures to ensure land sold is within a reasonable range of the appraised value to maximize collections. DOT officials should also reconcile the amounts collected to the amounts due monthly to ensure all lease payments are properly and timely remitted.

According to DOT officials, DOT has discontinued the use of sealed bids and is currently selling property at public auctions. If DOT should discontinue the use of public auctions, DOT officials should consider not allowing any DOT employees to bid on DOT property.

DOT officials should also ensure all sales of excess property are subject to review and approval by supervisory staff. The review and approval should involve close scrutiny of all supporting documentation and the reasonableness of the recorded information.

D. Supporting Documentation – During our review of property files and payments for mowing and farm supplies, we determined the following:

- Supervisor signatures were not included on all payment vouchers reviewed,
- Vouchers were not properly reviewed prior to approval to determine the reasonableness of the payment and
- Property Managers and/or clerical employees signed forms where a supervisor's signature was required.

Recommendation – DOT should ensure an independent party reviews vouchers to ensure all disbursements appear reasonable. Also, DOT should implement procedures to ensure supervisors are reviewing all documents and signing as required.

In addition, DOT should discontinue allowing Property Managers and/or clerical employees to sign for a supervisor. After completion of fieldwork, DOT implemented procedures to ensure all information included in the property files were scanned into the system for future review.

- E. Mowing – Based on our testing, we identified a vendor used to mow DOT property which purportedly hired Mr. Weigel's sons to perform the mowing in order to circumvent DOT's nepotism rule.

We also identified a vendor to whom Mr. Weigel authorized payments from DOT who subsequently issued checks to Mr. Weigel for a portion of the payments. The payments from DOT to the vendor authorized by Mr. Weigel total \$37,360.00.

In addition, as previously stated, Property Managers were responsible for locating individuals and/or businesses to provide mowing services. As a result, hourly rates and/or rates charged per acre vary statewide.

In August 2011, DOT implemented new procedures which require the Purchasing Department be responsible for ensuring a competitive bid process is placed in operation and contracts are written and maintained.

Recommendation – DOT should ensure the procedures implemented in August 2011 are followed and periodically reviewed.

- F. Agreements and Leases – During our investigation, we identified DOT property leased to various individuals for which written lease agreements were not established. We also determined written contracts were not established for all services obtained, such as mowing, snow removal and seeding. In addition, seeding agreements did not specify the amount to be remitted to DOT upon sale of any resulting hay bales. Also, the agreements reviewed did not specify the number of times hay was to be cut. As a result, DOT was unable to ensure any amounts remitted were accurate and complete.

Also, DOT does not have a tracking mechanism in place to determine if DOT land is leased, mowed or rented. As a result, we were unable to obtain a complete listing of the status of all property owned by DOT for excess right of way and required right of way.

Based on testing performed, we have no assurance all improper lease agreements were identified.

In addition, DOT has an online application which tracks the collection of lease payments for individual leases and payments made by DOT for maintenance contracts. The application allows DOT personnel to ensure lease payments are received and prevents DOT from overpaying on maintenance contracts. However, the online application is not required to be used. In addition, a contract number or contract description is not consistently provided when payments are received. As a result, the Office of Finance is unable to properly code the collections as lease revenue.

Recommendation – The DOT should ensure written contracts are established for all services to be provided. In addition, the contracts should include the dates of the contract, the amount to be remitted and the purpose of the contract.

In addition, DOT should develop procedures to ensure all property owned by DOT is tracked in a database. A listing should be maintained which identifies the property, status of the land (leased, mowed, etc.) and the individual and/or business responsible for maintaining the land. In addition, DOT should reconcile the amounts collected to the amounts due monthly to ensure all payments are properly and timely remitted.

DOT should implement policies and procedures to ensure the online application is used by all offices entering into contracts and/or agreements with third parties to ensure there is a centralized location for all leases, contracts and/or agreements.



G. Patent Files – Based on our testing, we determined the following:

- 19 property files could not be located and
- 901 of the 1,202 property files reviewed did not contain all required documentation. Of the 901 files, 802 files did not include an independent appraisal.

Some of the patent files we reviewed were for properties for which it appears a sealed bid was used to sell the property. We were unable to determine the authenticity of the sealed bid process for all of these files. While some of the files included documents DOT received from bidders and letters DOT sent to unsuccessful bidders, other files included bid tabulations which included only 1 bidder or noted that no bids were received. Because Property Managers had complete control of the actions taken concerning the disposal of individual properties and the documentation placed in the patent files, they had the opportunity to award the bid to someone of their choosing and prepare the supporting documents in a manner which made it appear the party was the only one to bid on the property.

Also, some of the patent files we reviewed included a value opinion rather than an appraisal. A value opinion is prepared by the Property Manager if the property has a value of less than \$10,000.00. The Property Managers determine if the threshold is met and they prepare the value opinion based on their experience and knowledge of prior transactions related to the property. DOT did not have adequate controls in place to ensure the value opinions were prepared by Property Managers in a timely manner or for an appropriate amount.

In addition, for the property files which were subsequently purged, the information maintained was not consistent between files.

Recommendation – DOT should implement policies to ensure required documents, such as appraisals and letters which document compliance with requirements established by section 306.23 of the *Code of Iowa*, are completed and maintained. In addition, DOT should develop a records retention policy which specifies the length of time files are to be maintained and the specific information required to be maintained.

H. Certification of Retirement Due to a Disability – We identified an instance in which a DOT staff member certified Mr. Weigel retired from DOT because of a disability on an Employer Verification of Employment form submitted to IPERS. During our investigation, the DOT representative who certified the form stated Mr. Weigel did not retire due to a disability and, therefore, the form contained an inaccurate representation to IPERS. According to the DOT representative, the only information on the form which is verified by DOT is the date of the employee's last paycheck from which IPERS contributions were withheld. However, the Employer Verification of Employment forms is certifying the information provided to IPERS on the form is true and failure to provide true information may subject DOT and the representative to fraud charges and a legal obligation to IPERS.

Recommendation – Because this form is a certification to IPERS of the circumstances under which an employee retired, all information summarized on the form should be verified as accurate. In addition, the form should be reviewed and approved by an independent party with knowledge of the circumstances of the employee's departure.

- I. Reporting of Irregularities – DOT does not currently have any policies in place which require the reporting of concerns regarding irregularities or suspected financial fraud. In addition, DOT does not have any policies which require review of irregularities by someone other than supervisors within the Department where irregularities have been identified. As previously stated, Mr. Weigel's former supervisor included notations in his personnel file regarding concerns with excess property Mr. Weigel sold in Tama County. In addition, some of the employees with whom interviews were held after Mr. Weigel was placed on leave stated they had identified unusual transactions or actions taken by Mr. Weigel but had not reported them to a DOT official.

Recommendation – DOT should implement policies which require employees to report any potential financial fraud. The policy should specify to whom the report should be made and specific action to be taken by the party receiving the report.

## **Exhibits**

Report on Special Investigation of the  
Iowa Department of Transportation

Summary of Findings  
For the period January 29, 1994 through July 7, 2011

<b>Description</b>	<b>Exhibit/Table/ Page Number</b>	<b>Amount</b>
Undeposited collections:		
Diverted collections:		
Property disposal:		
Anthony and Brandon Wood	<b>Page 15</b>	\$ 200,000.00
David Weigel: Jesse Wheeler, LLC	<b>Page 21</b>	11,967.00
Lee and Karen Judge	<b>Page 26</b>	45,000.00
Dan and Debbie Feters	<b>Page 29</b>	26,000.00
Leases: Douglas Rose	<b>Page 35</b>	16,000.00
Revenue from crop sharing	<b>Page 37</b>	16,680.25
Subtotal diverted collections		\$ 315,647.25
Uncollected rent payments:		
Leases: Clarence Myers	<b>Page 34</b>	15,300.00
Douglas Rose	<b>Table 7</b>	140,000.00
I-235 expansion project	<b>Page 45</b>	10,200.00
Actions authorized by Dennis Dobson	<b>Page 45</b>	4,550.00
Subtotal uncollected rent payments		170,050.00
Subtotal undeposited collections		485,697.25
Improper disbursements:		
Crop sharing	<b>Table 8</b>	33,190.00
Payments to Grady Marx	<b>Table 9</b>	37,360.00
Payments to Stacie Walther	<b>Page 43</b>	23,200.00
Disbursements authorized by Dennis Dobson	<b>Exhibit D</b>	1,675.50
Subtotal improper disbursements		95,425.50
Total undeposited collections and improper disbursements		\$ 581,122.75

Report on Special Investigation of the  
Iowa Department of Transportation

Disposal of Property to Related Parties  
For the period January 29, 1994 through July 7, 2011

**Per DOT Sold Property Ledger**

<b>County</b>	<b>Number of Acres</b>	<b>Sold to:</b>	<b>Type of Sale</b>	<b>Date of Purchase</b>
<u>Properties purchased by Mr. Weigel:</u>				
Story	30.05	Extremely Limited Inc.	Sealed Bid	09/15/97
Floyd	14.96	Jesse Wheeler, LLC	Sealed Bid	05/20/05
<u>Properties purchased by others:</u>				
Warren	1.55	Gerald E. Randleman	Offer	06/04/01
Grundy	3.92	Thrifty LLC ( <i>Stephen Banks</i> )	Offer	05/24/04
Woodbury	7.26	Grady R. Mark	Offer	08/06/04
Hardin	0.42	Thrifty LLC ( <i>Stephen Banks</i> )	Offer	10/21/04
Grundy	0.56	Thrifty LLC ( <i>Stephen Banks</i> )	Offer	12/05/05
Grundy	2.73	Thrifty LLC ( <i>Stephen Banks</i> )	Offer	12/05/05
Tama	3.09	Lee and Karen Judge	Offer	10/09/06
Tama	23.51	Dan and Debbie Fetters	Offer	06/12/07
Hamilton	28.96	Grady Marx	Offer	10/01/09
Sioux	2.25	Arlene Walgenbach	Offer	03/30/10
Floyd	202.00	Anthony and Brandon Woods	Sealed Bid	12/16/10
@ Polk	5.82	Grady Marx	Offer	04/08/11
@ Polk	19.19	Grady Marx	Offer	NA

\* - We were unable to locate appraisals performed by an outside agency, but we were able to locate documents prepared by DOT which identified an appraisal. Because no other supporting documentation was available, value opinions performed by DOT employees have been used as an appraisal value, as applicable.

# - According to the Warren County Assessor, a parcel within the property was sold; however, Mr. Randleman owns the remainder of the land.

^ - Due to the initial concerns identified by DOT, DOT returned Mr. Marx's check and DOT has title to the property.

^^ - The patent for this property was cancelled prior to completion; therefore, DOT remained the owner of the property.

@ - Sales authorized by Mr. Weigel, but they were terminated by DOT officials. Presented for informational purposes. The DOT ledger does not include the transaction for 19.19 acres.

NA - Not applicable. Property has not been sold or resold.

Patent No.	Amount Paid to DOT	Appraisal Value	Date of Resale	Subsequent Sale Price	
4653	\$ 55,111.11	54,000.00	*	-	NA
5273	29,921.00	38,300.00	*	09/01/05	41,888.00
4840	68,500.00	-	08/23/01	70,000.00	#
5101	41,000.00	41,000.00	*	06/02/05	74,000.00
5154	12,000.00	15,000.00	*	-	NA
5179	400.00	-	03/05/06	32,150.00	
5314	100.00	-	06/21/07	18,000.00	
5313	100.00	-	12/20/07	8,421.00	
5423	80,000.00	122,000.00	-	NA	
5477	50,000.00	-	-	NA	
5691	8,000.00	-	-	NA	
5723	500.00	-	-	NA	
5769	651,340.00	1,084,000.00	-	NA	
5790	3,000.00	70,000.00	-	-	^
NA	2,000.00	-	-	-	^^

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice						
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres	Rate
Grady Marx						
	09/25/08	Woodbury	Mowing barrow pit and roadside ditches	-	-	\$ -
	06/26/09	Woodbury	Mowing barrow pit and roadside ditches	-	-	-
	08/17/09	Woodbury	Mowing barrow pit and roadside ditches	-	-	-
	09/16/09	Woodbury	Mowing barrow pit, roadside ditches and sumac clearing	-	-	-
	07/09/10	Woodbury	Disking	-	43	20.00
	07/09/10	Woodbury	Drilling	-	43	20.00
	07/09/10	Woodbury	Seed 10 lb = 430lb x \$7.00	-		
	07/09/10	Woodbury	Oat seed 3 bu x 43 acre = 129 bu x \$5	-		
	07/09/10	Woodbury	Mowing	-	20	50.00
	07/09/10	Woodbury	Weed spray	-	4	90.00
	07/28/10	Woodbury	Mowing Hwy 20 barrow	-	15	50.00
	07/28/10	Woodbury	Mowing Hwy 20 Sac + County	-	106	75.00
	09/13/10	Woodbury	Mowing Hwy 20 barrow	-	35	50.00
	09/13/10	Woodbury	Weed Spraying	-	43	90.00
	09/13/10	Woodbury	Mowing Hwy 20 Sac + County	-	43	75.00
	10/13/10	Woodbury	Mowing Hwy 20 barrow	-	20	90.00
	10/13/10	Woodbury	Weed Spraying	-	30	90.00
	10/13/10	Woodbury	Mowing Hwy 20 Sac + County	-	42	100.00
	Subtotal for Grady Marx					
Gerald Randleman						
	09/03/08	Polk	Mowing - 25th Street	August 29, 2008	4	50.00
	09/03/08	Polk	Mowing - 26th Street	August 29, 2008	4	50.00
	09/03/08	Polk	Mowing - DOT office	August 30, 2008	4	50.00
	09/03/08	Polk	Mowing - E 22nd south of Easton	September 1, 2008	5	50.00
	09/03/08	Polk	Mowing - Elizabeth Ave	September 1, 2008	2	50.00
	09/03/08	Polk	Mowing - E 1th & Lyon	September 2, 2008	6	50.00
	09/03/08	Polk	Mowing - E 17th & Lyon	September 3, 2008	3	50.00

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
\$ 1,600.00	10/02/08	779881	1,600.00	David Weigel	Doug Bates
860.00	08/20/09	976177	860.00	David Weigel	David Weigel
860.00	09/16/09	993441	860.00	David Weigel	Nancy Halvorson
1,060.00	10/01/09	4676	1,060.00	David Weigel	David Weigel
860.00					
860.00					
3,010.00					
645.00					
1,000.00					
360.00					
6,735.00	07/15/10	185671	6,735.00	David Weigel	David Weigel
750.00					
7,950.00					
8,700.00	08/10/10	202017	8,700.00	David Weigel	David Weigel
1,750.00					
3,870.00					
3,225.00					
8,845.00	09/28/10	241882	8,845.00	David Weigel	David Weigel
1,800.00					
2,700.00					
4,200.00					
8,700.00	10/20/10	259462	8,700.00	David Weigel	David Weigel
37,360.00			37,360.00		
200.00					
200.00					
200.00					
250.00					
100.00					
300.00					
150.00					
1,400.00	09/09/08	760162	1,400.00	David Weigel	Unsigned



Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	09/10/08	Polk	Mowing - 63rd & Gordon	September 5, 2009	5    50.00
	09/10/08	Polk	Mowing - DOT office & Dixon &	September 6, 2009	7    50.00
	09/10/08	Polk	Mowing - E 18th & Maple	September 9, 2009	4    50.00
	09/10/08	Polk	Mowing - E 19th & Walker	September 9, 2009	2    50.00
	09/10/08	Polk	Mowing - Ure to 21st	September 10, 2009	6    50.00
					.
	09/19/08	Polk	Mowing - DOT prop at 63 - Tonka to Winona WDM	September 16, 2008	5    50.00
	09/19/08	Polk	Mowing - DOT office and 823 Walker	September 17, 2008	4    50.00
	09/19/08	Polk	Mowing - 823 Walker - 3 parcels	September 17, 2008	4    50.00
	09/19/08	Polk	Mowing - Lyon & Pennsylvania	September 18, 2008	6    50.00
	09/19/08	Polk	Mowing - ML King 3 parcels	September 19, 2008	6    50.00
					.
	10/03/08	Polk	Mowing - E 22nd and Easton	September 24, 2008	5    50.00
	10/03/08	Polk	Mowing - Elizabeth	September 24, 2008	2    50.00
	10/03/08	Polk	Mowing - E 16th and Lyon	September 26, 2008	7    50.00
	10/03/08	Polk	Mowing - DOT office	September 27, 2008	4    50.00
	10/03/08	Polk	Mowing - E 17th & Lyon	September 27, 2008	3    50.00
					.
	10/14/08	Polk	Mowing - DOT office & Dixon and Lyon	October 4, 2008	7    50.00
	10/14/08	Polk	Mowing - 18th & Maple	October 3, 2008	4    50.00
	10/14/08	Polk	Mowing - 19th & Walker	October 3, 2010	2    50.00
	10/14/08	Polk	Mowing - Ure to 21st	October 6, 2010	6    50.00
					.
	10/21/08	Polk	Mowing - DOT office	October 11, 2008	4    50.00
	10/21/08	Polk	Mowing - 823 Walker - 3 parcels	October 11, 2008	4    50.00
	10/21/08	Polk	Mowing Tichnor & Guthrie	October 13, 2008	4    50.00
					.
	10/23/08	Polk	Mowing - MLK	October 16, 2008	6    50.00
	10/23/08	Polk	Mowing - 25th & 26th	October 17, 2008	8    50.00
	10/23/08	Polk	Mowing - DOT office	October 18, 2008	4    50.00
	10/23/08	Polk	Mowing - 17th & Lyon	October 18, 2008	3    50.00
	10/23/08	Polk	Mowing - 22nd S. Easton & Elizabeth	October 20, 2008	7    50.00
	10/23/08	Polk	Mowing - E 16th & Lyon	October 21, 2008	6    50.00
	10/23/08	Polk	Mowing - 63rd & Gordon, Tonka & Edwards	October 20, 2008	6    50.00
					.
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
250.00					
350.00					
200.00					
100.00					
300.00					
1,200.00	09/15/08	763284	1,200.00	David Weigel	Unsigned
250.00					
200.00					
200.00					
300.00					
300.00					
1,250.00	09/29/08	776939	1,250.00	David Weigel	Doug Bates
250.00					
100.00					
350.00					
200.00					
150.00					
1,050.00	10/03/08	780715	1,050.00	David Weigel	Doug Bates
350.00					
200.00					
100.00					
300.00					
950.00	10/14/08	787819	950.00	David Weigel	Doug Bates
200.00					
200.00					
200.00					
600.00	10/21/08	791876	600.00	David Weigel	Nancy Halvorson
300.00					
400.00					
200.00					
150.00					
350.00					
300.00					
300.00					
2,000.00	10/23/08	793163	2,000.00	David Weigel	David Weigel

Report on Special Investigation of the  
Iowa Department of Transportation  
  
Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	11/07/08	Polk	Mowing - DOT office	October 29, 2008	4    50.00
	11/07/08	Polk	Mowing - Dixon & Lyon	October 29, 2008	3    50.00
	11/07/08	Polk	Mowing - E 18th & Maple	October 30, 2008	4    50.00
	11/07/08	Polk	Mowing - E 19th & Walker	October 30, 2008	3    50.00
	11/07/08	Polk	Mowing - Ure to 21st	October 31, 2008	6    50.00
					.
	12/03/08	Polk	Clean up E 21st plywood construction debris dump on DOT property	December 3, 2008	-    -
	12/03/08	Polk	Dumpster	December 3, 2008	-    -
	12/03/08	Polk	Skidloader	December 3, 2008	4    -
					.
	04/21/09	Polk	Rebuild drive on 330 to access	April 8, 2009	-    -
	04/21/09	Polk	Clean out drainage problem 163	April 10, 2009	-    -
	04/21/09	Polk	Gravel drive Hwy 5 Carlisle	April 14, 2009	-    -
					.
	04/21/09	Polk	Cutting and stacking branches of dangerous dead tree on DOT property at E 16th & Lyon	April 21, 2009	-    -
					.
	05/07/09	Polk	Mowing - DOT office	May 4, 2009	4    50.00
	05/07/09	Polk	Mowing - 16th & Lyon	May 4, 2009	6    50.00
	05/07/09	Polk	Mowing - E 17th & Lyon	May 5, 2009	3    50.00
	05/07/09	Polk	Mowing - Lyon & Dixon	May 5, 2009	3    50.00
	05/07/09	Polk	Mowing - E 18th & Maple	May 5, 2009	4    50.00
	05/07/09	Polk	Mowing - E 19th & Walker	May 6, 2009	2    50.00
	05/07/09	Polk	Mowing - 823 Walker	May 6, 2009	4    50.00
					.
	05/12/09	Polk	Mowing - E 22nd & Easton	May 7, 2009	5    50.00
	05/12/09	Polk	Mowing - E 22nd & Elizabeth	May 7, 2009	2    50.00
	05/12/09	Polk	Mowing - Ure to E 21st	May 8, 2009	6    50.00
	05/12/09	Polk	Mowing - MLK and Atkins	May 9, 2009	6    50.00
	05/12/09	Polk	Mowing - 25th Street	May 11, 2009	4    50.00
	05/12/09	Polk	Mowing - 26th Street	May 11, 2009	4    50.00
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
200.00					
150.00					
200.00					
150.00					
300.00					
1,000.00	11/03/08	801517	1,000.00	David Weigel	Nancy Halvorson
2,250.00					
730.00					
800.00					
3,780.00 #	12/03/08	828204	3,780.00	David Weigel	Nancy Halvorson
2,810.00					
1,680.00					
840.00					
5,330.00	04/21/09	899742	5,330.00	David Weigel	Nancy Halvorson
1,200.00	04/30/09	905623	1,200.00	David Weigel	Nancy Halvorson
200.00					
300.00					
150.00					
150.00					
200.00					
100.00					
200.00					
1,300.00	05/19/09	912308	1,300.00	David Weigel	Nancy Halvorson
250.00					
100.00					
300.00					
300.00					
200.00					
200.00					
1,350.00	05/14/09	913863	1,350.00	David Weigel	Nancy Halvorson

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice						
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres	Rate
	05/22/09	Polk	Mowing - E 16th & Lyon	May 22, 2009	6	50.00
	05/26/09	Polk	Mowing - DOT office	May 23, 2009	4	50.00
	05/26/09	Polk	Mowing - 823 Walker	May 23, 2009	4	50.00
	05/26/09	Polk	Mowing - MLK	May 26, 2009	6	50.00
	05/20/09	Polk	Mowing - DOT office	May 16, 2009	4	50.00
	05/20/09	Polk	Mowing - Easton & Wayne	May 16, 2009	6	50.00
			Machine & handwork 2 hrs on 16th, 4 hrs 18th			
	05/20/09	Polk	Mowing - 18th & Easton	May 19, 2009	8	50.00
	06/03/09	Polk	Mowing - E 17th & Lyon	May 27, 2009	4	50.00
	06/03/09	Polk	Mowing - Dixon & Lyon	May 27, 2009	3	50.00
	06/03/09	Polk	Mowing - E 18th & Maple	May 28, 2009	4	50.00
	06/03/09	Polk	Mowing - E 19th & Walker	May 28, 2009	2	50.00
	06/03/09	Polk	Mowing - Ure to 21st	May 29, 2009	6	50.00
	06/03/09	Polk	Mowing - DOT office	May 30, 2009	4	50.00
	06/03/09	Polk	Mowing - Elizabeth & 22nd	May 30, 2009	2	50.00
	06/03/09	Polk	Mowing - 22nd & Easton	June 1, 2009	5	50.00
	06/09/09	Polk	Mowing - 18th & Easton	June 5, 2009	8	50.00
	06/09/09	Polk	Mowing - DOT office	June 6, 2009	4	50.00
	06/09/09	Polk	Mowing - 63rd and Tonka and Winona	June 9, 2009	6	50.00
	06/16/09	Polk	Mowing - DOT office	June 13, 2009	4	50.00
	06/16/09	Polk	Mowing - E 16th & Lyon	June 15, 2009	8	50.00
	06/16/09	Polk	Mowing - Dixon & University	June 16, 2009	8	50.00
	06/24/09	Polk	Mowing - 18th & Maple	June 20, 2009	4	50.00
	06/24/09	Polk	Mowing - DOT office	June 20, 2009	4	50.00
	06/24/09	Polk	Mowing - MLK 3 parcels	June 22, 2009	6	50.00
	06/24/09	Polk	Mowing - URE to 21st - 2 parcels	June 23, 2009	6	50.00
	06/24/09	Polk	Mowing - E 22nd S Easton	June 24, 2009	5	50.00
	06/24/09	Polk	Mowing - Elizabeth	June 24, 2009	2	50.00

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
300.00					
200.00					
200.00					
300.00					
1,000.00	05/28/09	921931	1,000.00	David Weigel	Nancy Halvorson
200.00					
300.00					
400.00					
900.00	05/29/09	923080	900.00	David Weigel	Nancy Halvorson
200.00					
150.00					
200.00					
100.00					
300.00					
200.00					
100.00					
250.00					
1,500.00	06/09/09	927906	1,500.00	David Weigel	Nancy Halvorson
400.00					
200.00					
300.00					
900.00	06/15/09	932635	900.00	David Weigel	Nancy Halvorson
200.00					
400.00					
400.00					
1,000.00	06/19/09	936570	1,000.00	David Weigel	Nancy Halvorson
200.00					
200.00					
300.00					
300.00					
250.00					
100.00					
1,350.00	06/25/09	940140	1,350.00	David Weigel	Nancy Halvorson

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres Rate
	06/24/09	Polk	Mowing - 823 Walker & Alley	June 16, 2009	4 50.00
	06/24/09	Polk	Mowing - E 17th & Lyon	June 16, 2009	3 50.00
	06/24/09	Polk	Mowing - 25th Street	June 17, 2009	4 50.00
	06/24/09	Polk	Mowing - 26th Street	June 17, 2009	4 50.00
	06/24/09	Polk	Mowing - 63rd & Winona	June 18, 2009	6 50.00
	06/24/09	Polk	Mowing - Freeway off ramp at 42nd St	June 18, 2009	4 50.00
	06/24/09	Polk	Mowing - E 17th & Lyon	June 19, 2009	3 50.00
	06/24/09	Polk	Mowing - Dixon & Lyon	June 19, 2009	3 50.00
	06/24/09	Polk	Mowing - 19th & Walker	June 19, 2009	2 50.00
	06/29/09	Polk	Mowing - Easton & Wayne	June 26, 2009	7 50.00
	06/29/09	Polk	Mowing - DOT office	June 27, 2009	4 50.00
	06/29/09	Polk	Mowing - 18th & Easton	June 29, 2009	8 50.00
	07/07/09	Polk	Mowing - Tonka Winona & Gordon	June 30, 2009	7 50.00
	07/07/09	Polk	Mowing - DOT office	July 3, 2009	4 50.00
	07/07/09	Polk	Mowing - Dixon & University	July 6, 2009	8 50.00
	07/07/09	Polk	Mowing - E 16th & Lyon	July 7, 2009	8 50.00
	07/14/09	Polk	Mowing - MLK	July 10, 2009	6 50.00
	07/14/09	Polk	Mowing - DOT office	July 11, 2009	4 50.00
	07/14/09	Polk	Mowing - 823 Walker	July 11, 2009	4 50.00
	07/14/09	Polk	Mowing - 25th Street	July 13, 2009	4 50.00
	07/14/09	Polk	Mowing - 26th Street	July 13, 2009	4 50.00
	07/21/09	Polk	Mowing - E17th & Lyon	July 17, 2009	3 50.00
	07/21/09	Polk	Mowing - E 18th & Maple	July 17, 2009	4 50.00
	07/21/09	Polk	Mowing - DOT office	July 18, 2009	4 50.00
	07/21/09	Polk	Mowing - Dixon & Lyon	July 20, 2009	3 50.00
	07/21/09	Polk	Mowing - E 19th & Walker	July 20, 2009	2 50.00
	07/17/09	Polk	Mowing - 63rd & Tonka - Winona	July 15, 2009	6 50.00
	07/17/09	Polk	Mowing - E 22nd & Easton	July 14, 2009	5 50.00
	07/17/09	Polk	Mowing - Elizabeth	July 14, 2009	2 50.00
	07/17/09	Polk	Mowing - Ure	July 16, 2009	6 50.00

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
200.00					
150.00					
200.00					
200.00					
300.00					
200.00					
150.00					
150.00					
100.00					
1,650.00	06/25/09	940132	1,650.00	David Weigel	Nancy Halvorson
350.00					
200.00					
400.00					
950.00	07/06/09	944576	950.00	David Weigel	Nancy Halvorson
350.00					
200.00					
400.00					
400.00					
1,350.00	07/09/09	946184	1,350.00	David Weigel	Nancy Halvorson
300.00					
200.00					
200.00					
200.00					
200.00					
1,100.00	07/15/09	952047	1,100.00	David Weigel	Nancy Halvorson
150.00					
200.00					
200.00					
150.00					
100.00					
800.00	07/24/09	959017	800.00	David Weigel	Nancy Halvorson
300.00					
250.00					
100.00					
300.00					
950.00	07/29/09	961117	950.00	David Weigel	Nancy Halvorson



Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	07/28/09	Polk	Mowing - Easton & Wayne (much handwork)	July 23, 2009	6      50.00
	07/28/09	Polk	Mowing - 18th & Easton	July 24, 2009	8      50.00
	07/28/09	Polk	Mowing - Dixon & University	July 25, 2009	8      50.00
	07/28/09	Polk	Mowing - DOT office	July 27, 2009	4      50.00
	07/28/09	Polk	Mowing - E 16th & Lyon	July 27, 2009	6      50.00
					.
	08/25/09	Polk	Mowing - 2 day split on 2 jobs DOT office & Sheridan & E 14th	8/21/2009 and 8/22/09	7      50.00
	08/25/09	Polk	Mowing - 2 day split on 2 jobs DOT office & Sheridan & E 14th	8/21/2009 and 8/22/09	7      50.00
	08/25/09	Polk	Mowing - 63rd & Tonka - Winona	August 24, 2009	6      50.00
	08/25/09	Polk	Mowing - E 22nd South of Easton	August 25, 2009	5      50.00
	08/25/09	Polk	Mowing - E 22nd & Elizabeth	August 25, 2009	2      50.00
					.
	08/03/09	Polk	Mowing - from E 21st to railroad viaduct - very tall & steep terrain	August 3, 2009	
					.
	08/06/09	Polk	Mowing - 823 Walker & alley	August 3, 2009	4      50.00
	08/06/09	Polk	Mowing - MLK 3 parcels	August 3, 2009	6      50.00
	08/06/09	Polk	Mowing - 25th Street	August 4, 2009	4      50.00
	08/06/09	Polk	Mowing - 26th Street	August 4, 2009	4      50.00
	08/06/09	Polk	Mowing - E 22nd & Easton	August 5, 2009	5      50.00
	08/06/09	Polk	Mowing - Elizabeth	August 5, 2009	2      50.00
					.
	08/10/09	Polk	Mowing - 63rd & Winona West Des Moines	August 7, 2009	6      50.00
	08/10/09	Polk	Mowing - DOT office	August 8, 2009	4      50.00
	08/10/09	Polk	Mowing - Ure to 21st Street	August 8, 2009	6      50.00
					.
	08/17/09	Polk	Mowing - E 17th & Lyon	August 11, 2009	3      50.00
	08/17/09	Polk	Mowing - Dixon & Lyon	August 11, 2009	3      50.00
	08/17/09	Polk	Mowing - E 18th & Maple	August 12, 2009	4      50.00
	08/17/09	Polk	Mowing - E 19th & Walker	August 12, 2009	2      50.00
	08/17/09	Polk	Mowing - E 16th & Lyon	August 14, 2009	6      50.00
	08/17/09	Polk	Mowing - DOT office	August 15, 2009	4      50.00
					.
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
300.00					
400.00					
400.00					
200.00					
300.00					
1,600.00	07/30/09	961890	1,600.00	David Weigel	Nancy Halvorson
350.00					
350.00					
300.00					
250.00					
100.00					
1,350.00	08/27/09	982299	1,350.00	David Weigel	David Weigel
1,000.00	08/13/09	970165	1,000.00	David Weigel	David Weigel
200.00					
300.00					
200.00					
200.00					
250.00					
100.00					
1,250.00	08/13/09	971056	1,250.00	David Weigel	David Weigel
300.00					
200.00					
300.00					
800.00	08/13/09	971054	800.00	David Weigel	David Weigel
150.00					
150.00					
200.00					
100.00					
300.00					
200.00					
1,100.00	08/20/09	976168	1,100.00	David Weigel	David Weigel

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	08/21/09	Polk	Mowing - 18th & Easton	August 17, 2009	8    50.00
	08/21/09	Polk	Mowing - Dixon & University	August 18, 2009	8    50.00
	08/21/09	Polk	Mowing - Easton & Wayne	August 19, 2009	6    50.00
	08/29/09	Polk	Mowing - Ure to 21st Street	August 27, 2009	6    50.00
	08/29/09	Polk	Mowing - E 17th & Lyon	August 28, 2009	3    50.00
	08/29/09	Polk	Mowing - Dixon & Lyon	August 28, 2009	3    50.00
	08/29/09	Polk	Mowing - E 19th & Walker	August 28, 2009	2    50.00
	08/29/09	Polk	Mowing - DOT office	August 29, 2009	4    50.00
	08/29/09	Polk	Mowing - E 18th & Maple	August 29, 2009	4    50.00
	09/08/09	Polk	Replant washed out areas along 163 Mahaska County (40 acres x	September 8, 2009	
	09/08/09	Polk	Mowed & sprayed weeds in excess along 163 (25 acres x \$100)	September 8, 2009	
	09/17/09	Polk	Mowing - E 16th & Lyon	September 10, 2009	6    50.00
	09/17/09	Polk	Mowing - Hull Ave	September 11, 2009	6    50.00
	09/17/09	Polk	Mowing - DOT office	September 11, 2009	4    50.00
	09/17/09	Polk	Mowing - 63rd & Winona West Des Moines	September 12, 2009	6    50.00
	09/17/09	Polk	Mowing - Easton & Wayne	September 14, 2009	6    50.00
	09/17/09	Polk	Mowing - E 18th & Easton	September 15, 2009	8    50.00
	09/17/09	Polk	Mowing - Dixon & University	September 16, 2009	8    50.00
	09/17/09	Polk	Mowing - E 22nd South side University	September 17, 2009	5    50.00
	09/17/09	Polk	Mowing - E 22nd & Elizabeth	September 17, 2009	2    50.00
	09/10/09	Polk	25.14 tons 1" clean rock delivered & spread at highway-field entrance @ \$17.50 (\$439.95 + \$17.87 tax)	July 29, 2009	
	09/06/09	Polk	Mowing - 823 Walker & alley	September 1, 2009	4    50.00
	09/06/09	Polk	Mowing - E 25th Street	September 1, 2009	4    50.00
	09/06/09	Polk	Mowing - MLK & Atkins	September 2, 2009	6    50.00
	09/06/09	Polk	Mowing - E 26th Street	September 3, 2009	4    50.00
	09/06/09	Polk	Mowing - Hull Ave - Grandview College area	September 4, 2009	6    50.00
	09/06/09	Polk	Mowing - DOT office	September 5, 2009	4    50.00

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
400.00					
400.00					
300.00					
1,100.00	08/27/09	982291	1,100.00	David Weigel	David Weigel
300.00					
150.00					
150.00					
100.00					
200.00					
200.00					
1,100.00	09/03/09	987075	1,100.00	David Weigel	Nancy Halvorson
4,000.00					
2,500.00					
6,500.00	09/16/09	993438	6,500.00	David Weigel	Nancy Halvorson
300.00					
300.00					
200.00					
300.00					
300.00					
400.00					
400.00					
250.00					
100.00					
2,550.00	09/17/09	997363	2,550.00	David Weigel	Nancy Halvorson
439.82 #	09/23/09	997359	439.82	David Weigel	Nancy Halvorson
200.00					
200.00					
300.00					
200.00					
300.00					
200.00					
1,400.00	09/23/09	997328	1,400.00	David Weigel	Nancy Halvorson

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	09/30/09	Polk	Mowing - Maury St to 14th bridge	September 27, 2009	10    50.00
	09/30/09	Polk	Mowing - DOT office	September 28, 2009	4    50.00
	09/30/09	Polk	Mowing - Easton & Wayne	September 28, 2009	6    50.00
	09/30/09	Polk	Mowing - E 21st & University	September 29, 2009	10    5.00
	09/30/09	Polk	Mowing - 18th & Easton	September 30, 2009	8    50.00
	09/24/09	Polk	Mowing - DOT office	September 19, 2009	4    50.00
	09/24/09	Polk	Mowing - E 14th & Sheridan Ave	September 19, 2009	5    50.00
	09/24/09	Polk	Mowing - 18th & Maple	September 21, 2009	4    50.00
	09/24/09	Polk	Mowing - 19th & Walker	September 21, 2009	2    50.00
	09/24/09	Polk	Mowing - Ure to E 21st	September 22, 2009	6    50.00
	09/24/09	Polk	Mowing - 17th & Lyon	September 22, 2009	3    50.00
	09/24/09	Polk	Mowing - Dixon & Lyon	September 21, 2009	3    50.00
	09/24/09	Polk	Mowing - 823 Walker	September 23, 2009	4    50.00
	09/24/09	Polk	Mowing - MLK & Atkins	September 23, 2009	6    50.00
	09/24/09	Polk	Mowing - 25th Street	September 24, 2009	4    50.00
	09/24/09	Polk	Mowing - 26th Street	September 24, 2009	4    50.00
	10/05/09	Polk	Mowing - Dixon & University	October 1, 2009	8    50.00
	10/05/09	Polk	Mowing - E 16th & Lyon	October 2, 2009	7    50.00
	10/05/09	Polk	Mowing - E 17th & Lyon	October 3, 2009	3    50.00
	10/05/09	Polk	Mowing - E 18th & Maple	October 3, 2009	4    50.00
	10/05/09	Polk	Mowing - E 19th & Walker	October 5, 2009	3    50.00
	10/05/09	Polk	Mowing - Dixon & Lyon	October 5, 2009	3    50.00
	10/22/09	Polk	Mowing - 3 prop. 1708, 1724, 1728 on E 22nd against sound wall	October 6, 2009	5    50.00
	10/22/09	Polk	Mowing - 823 Walker	October 13, 2009	4    50.00
	10/22/09	Polk	Mowing - 63rd & Winona WDM	October 13, 2009	7    50.00
	10/22/09	Polk	Mowing - E 14th & Hull - Boyd - Sheridan	October 15, 2009	6    50.00
	10/22/09	Polk	Mowing - DOT office	October 16, 2009	4    50.00
	10/22/09	Polk	Mowing - Ure to E 21st	October 16, 2009	6    50.00
	10/22/09	Polk	Mowing - E 22nd South of Easton	October 17, 2009	5    50.00
	10/22/09	Polk	Mowing - E 22nd & Elizabeth	October 17, 2009	2    50.00
	10/22/09	Polk	Mowing - E 18th & Easton	October 19, 2009	8    5.00
	10/22/09	Polk	Mowing - Dixon & University	October 20, 2009	8    50.00
	10/22/09	Polk	Mowing - 25 & 26 Streets 4 hours	October 21, 2009	8    50.00

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
500.00					
200.00					
300.00					
500.00					
400.00					
1,900.00	10/07/09	10220	1,900.00	David Weigel	Nancy Halvorson
200.00					
250.00					
200.00					
100.00					
300.00					
150.00					
150.00					
200.00					
300.00					
200.00					
200.00					
2,250.00	10/07/09	10204	2,250.00	David Weigel	Nancy Halvorson
400.00					
350.00					
150.00					
200.00					
150.00					
150.00					
1,400.00	10/07/09	10202	1,400.00	David Weigel	Nancy Halvorson
250.00					
200.00					
350.00					
300.00					
200.00					
300.00					
250.00					
100.00					
400.00					
400.00					
400.00					
3,150.00	11/02/09	26858	3,150.00	David Weigel	Nancy Halvorson

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	05/04/10	Polk	Mowing - E 16th & Lyon	April 27, 2010	8    50.00
	05/04/10	Polk	Mowing - E 17th & Lyon	April 28, 2010	3    50.00
	05/04/10	Polk	Mowing - Dixon & Lyon	April 28, 2010	3    50.00
	05/04/10	Polk	Mowing - 18th & Maple	April 29, 2010	4    50.00
	05/04/10	Polk	Mowing - 19th & Walker	April 29, 2010	3    50.00
					.
					.
	05/04/10	Polk	Mowing - DOT office	April 30, 2010	4    50.00
	05/04/10	Polk	Mowing - Easton & Wayne	April 30, 2010	6    50.00
	05/04/10	Polk	Mowing - 18th & Easton	May 1, 2010	8    50.00
	05/04/10	Polk	Mowing - Dixon & University	May 3, 2010	8    50.00
	05/04/10	Polk	Mowing - Ure to 21st	May 4, 2010	6    50.00
	05/04/10	Polk	Mowing - E 22nd & Easton	May 4, 2010	6    50.00
					.
					.
	05/08/10	Polk	Mowing - Walker & Penn	May 5, 2010	5    50.00
	05/08/10	Polk	Mowing - ML King	May 5, 2010	6    50.00
	05/08/10	Polk	Mowing - 25th Street	May 6, 2010	4    50.00
	05/08/10	Polk	Mowing - 26th Street	May 6, 2010	4    50.00
	05/08/10	Polk	Mowing - 63rd & Winona WDM	May 7, 2010	7    50.00
	05/08/10	Polk	Mowing - DOT office	May 8, 2010	4    50.00
	05/08/10	Polk	Mowing - E 14th Sheridan & Hull	May 8, 2010	6    50.00
					.
					.
	05/21/10	Polk	Mowing - DOT office	May 15, 2010	4    50.00
	05/21/10	Polk	Mowing - E 16th & Lyon	May 15, 2010	7    50.00
	05/21/10	Polk	Mowing - E 17th & Lyon	May 17, 2010	3    50.00
	05/21/10	Polk	Mowing - Dixon & Lyon	May 17, 2010	3    50.00
	05/21/10	Polk	Mowing - E 18th & Maple	May 17, 2010	4    50.00
	05/21/10	Polk	Mowing - E 19th & Walker	May 18, 2010	3    50.00
	05/21/10	Polk	Mowing - Easton & Wayne	May 18, 2010	6    50.00
					.
					.
	06/17/10	Polk	Mowing - Easton & Wayne	June 4, 2010	6    50.00
	06/17/10	Polk	Mowing - Ure to 21st	June 5, 2010	6    50.00
	06/17/10	Polk	Mowing - Metro East Dr	June 7, 2010	7    50.00
	06/17/10	Polk	Mowing - Metro East Dr	June 8, 2010	7    50.00
					.
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
400.00					
150.00					
150.00					
200.00					
150.00					
1,050.00	04/30/10	138859	1,050.00	David Weigel	Nancy Halvorson
200.00					
300.00					
400.00					
400.00					
300.00					
300.00					
1,900.00	05/10/10	144640	1,900.00	David Weigel	Nancy Halvorson
250.00					
300.00					
200.00					
200.00					
350.00					
200.00					
300.00					
1,800.00	05/13/10	148215	1,800.00	David Weigel	Nancy Halvorson
200.00					
350.00					
150.00					
150.00					
200.00					
150.00					
300.00					
1,500.00	05/28/10	159118	1,500.00	David Weigel	Nancy Halvorson
300.00					
300.00					
350.00					
350.00					
1,300.00	06/17/10	170970	1,300.00	David Weigel	David Weigel



Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	06/14/10	Polk	Mowing - DOT office	May 27, 2010	4    50.00
	06/14/10	Polk	Mowing - 42nd St ramp	May 27, 2010	5    50.00
	06/14/10	Polk	Mowing - E 14th & Sheridan Ave	May 28, 2010	6    50.00
	06/14/10	Polk	Mowing - 16th & Lyon	May 29, 2010	6    50.00
	06/14/10	Polk	Mowing - 17th & Lyon	May 29, 2010	3    50.00
	06/14/10	Polk	Mowing - Dixon & Lyon	June 1, 2010	3    50.00
	06/14/10	Polk	Mowing - 19th & Walker	June 1, 2010	3    50.00
	06/14/10	Polk	Mowing - 18th & Maple	June 1, 2010	4    50.00
	06/14/10	Polk	Mowing - 18th & Easton	June 2, 2010	8    50.00
	06/14/10	Polk	Mowing - Dixon & University	June 3, 2010	8    50.00
					.
	06/14/10	Polk	Mowing - Dixon & University	May 19, 2010	8    50.00
	06/14/10	Polk	Mowing - 18th & Easton	May 20, 2010	8    50.00
	06/14/10	Polk	Mowing - Ure to 21st	May 21, 2010	6    50.00
	06/14/10	Polk	Mowing - 21st & University	May 21, 2010	5    50.00
	06/14/10	Polk	Mowing - E 22nd & Easton	May 22, 2010	6    50.00
	06/14/10	Polk	Mowing - E 22nd & Elizabeth	May 22, 2010	2    50.00
	06/14/10	Polk	Mowing - Dixon & Walker	May 24, 2010	6    50.00
	06/14/10	Polk	Mowing - 823 Walker	May 24, 2010	4    50.00
	06/14/10	Polk	Mowing - ML King	May 25, 2010	6    50.00
	06/14/10	Polk	Mowing - 25th Street	May 25, 2010	4    50.00
	06/14/10	Polk	Mowing - 26th Street	May 26, 2010	4    50.00
	06/14/10	Polk	Mowing - 63rd WDM	May 26, 2010	7    50.00
					.
	06/21/10	Polk	Mowing - E 22nd & Easton	June 16, 2010	6    50.00
	06/21/10	Polk	Mowing - E 22nd & Elizabeth	June 16, 2010	2    50.00
	06/21/10	Polk	Mowing - ML King	June 17, 2010	7    50.00
	06/21/10	Polk	Mowing - 25th Street	June 18, 2010	4    50.00
	06/21/10	Polk	Mowing - 26th Street	June 18, 2010	4    50.00
	06/21/10	Polk	Mowing - 63rd St WDM Winona & Tonka	June 19, 2010	8    50.00
	06/21/10	Polk	Mowing - Maury & E 14th	June 21, 2010	3    50.00
					.
	07/03/10	Polk	Mowing - Easton & Wayne	June 30, 2010	6    50.00
	07/03/10	Polk	Mowing - 900 28th St	June 30, 2010	4    50.00
	07/03/10	Polk	Mowing - 18th & Easton	June 28, 2010	8    50.00
	07/03/10	Polk	Mowing - Dixon & University	June 29, 2010	8    50.00
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
200.00					
250.00					
300.00					
300.00					
150.00					
150.00					
150.00					
200.00					
400.00					
400.00					
2,500.00	06/17/10	170967	2,500.00	David Weigel	David Weigel
400.00					
400.00					
300.00					
250.00					
300.00					
100.00					
300.00					
200.00					
300.00					
200.00					
200.00					
200.00					
350.00					
3,300.00	06/17/10	170917	3,300.00	David Weigel	David Weigel
300.00					
100.00					
350.00					
200.00					
200.00					
400.00					
150.00					
1,700.00	06/28/10	178296	1,700.00	David Weigel	Doug Bates
300.00					
200.00					
400.00					
400.00					
1,300.00	07/08/10	182995	1,300.00	David Weigel	David Weigel

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	06/26/10	Polk	Mowing - DOT office	June 22, 2010	4    50.00
	06/26/10	Polk	Mowing - 17th & Lyon	June 22, 2010	4    50.00
	06/26/10	Polk	Mowing - Dixon & Lyon	June 23, 2010	4    50.00
	06/26/10	Polk	Mowing - 18th & Maple	June 23, 2010	4    50.00
	06/26/10	Polk	Mowing - 19th & Walker	June 24, 2010	3    50.00
	06/26/10	Polk	Mowing - Ure to 21st	June 24, 2010	6    50.00
	06/26/10	Polk	Mowing - Walker to Penn	June 25, 2010	5    50.00
	06/26/10	Polk	Mowing - 63rd & Rollins	June 25, 2010	4    50.00
					.
	07/14/10	Polk	Mowing - E 17th & Lyon	July 5, 2010	3    50.00
	07/14/10	Polk	Mowing - Dixon & Lyon	July 5, 2010	3    50.00
	07/14/10	Polk	Mowing - 18th & Maple	July 6, 2010	4    50.00
	07/14/10	Polk	Mowing - 19th & Walker	July 6, 2010	2    50.00
	07/14/10	Polk	Mowing - DOT office	July 7, 2010	4    50.00
	07/14/10	Polk	Mowing - E 14th & Sheridan - Boyd	July 7, 2010	6    50.00
	07/14/10	Polk	Mowing - E 22nd & Easton	July 12, 2010	6    50.00
	07/14/10	Polk	Mowing - E 22nd & Elizabeth	July 12, 2010	2    50.00
	07/14/10	Polk	Mowing - ML King	July 13, 2010	6    50.00
	07/14/10	Polk	Mowing - 900 28th St	July 13, 2010	4    50.00
					.
	07/22/10	Polk	Mowing - 63rd St WDM	July 16, 2010	7    50.00
	07/22/10	Polk	Mowing - DOT office	July 17, 2010	4    50.00
	07/22/10	Polk	Mowing - Walker to Penn	July 17, 2010	5    50.00
	07/22/10	Polk	Mowing - Ure to 21st	July 19, 2010	6    50.00
	07/22/10	Polk	Mowing - Easton & Wayne	July 19, 2010	6    50.00
	07/22/10	Polk	Mowing - 18th & Easton	July 20, 2010	6    50.00
	07/22/10	Polk	Mowing - Dixon & University	July 21, 2010	8    50.00
					.
	07/29/10	Polk	Mowing - 25th Street	July 23, 2010	4    50.00
	07/29/10	Polk	Mowing - 26th Street	July 23, 2010	4    50.00
	07/29/10	Polk	Mowing - DOT office	July 24, 2010	4    50.00
	07/29/10	Polk	Mowing - 900 28th St	July 24, 2010	5    50.00
	07/29/10	Polk	Mowing - E 17th & Lyon	July 27, 2010	4    50.00
	07/29/10	Polk	Mowing - E 19th & Walker	July 27, 2010	3    50.00
	07/29/10	Polk	Mowing - Dixon & Lyon	July 28, 2010	4    50.00
	07/29/10	Polk	Mowing - 18th & Maple	July 28, 2010	3    50.00
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
200.00					
200.00					
200.00					
200.00					
150.00					
300.00					
250.00					
200.00					
1,700.00	07/08/10	182987	1,700.00	David Weigel	David Weigel
150.00					
150.00					
200.00					
100.00					
200.00					
300.00					
300.00					
100.00					
300.00					
200.00					
2,000.00	07/21/10	188169	2,000.00	David Weigel	David Weigel
350.00					
200.00					
250.00					
300.00					
300.00					
300.00					
400.00					
2,100.00	07/26/10	191398	2,100.00	David Weigel	David Weigel
200.00					
200.00					
200.00					
250.00					
200.00					
150.00					
200.00					
150.00					
1,550.00	08/05/10	199025	1,550.00	David Weigel	David Weigel

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	08/05/10	Polk	Mowing - Walker & Penn	July 29, 2010	5      50.00
	08/05/10	Polk	Mowing - E 22nd & Elizabeth	July 29, 2010	2      50.00
	08/05/10	Polk	Mowing - ML King & Atkins	July 30, 2010	6      50.00
	08/05/10	Polk	Mowing - DOT office	July 31, 2010	4      50.00
	08/05/10	Polk	Mowing - E 22nd & Easton	July 31, 2010	6      50.00
	08/05/10	Polk	Mowing - 63rd & Winona & Tonka	August 4, 2010	7      50.00
					.
	08/16/10	Polk	Mowing - DOT office	August 7, 2010	4      50.00
	08/16/10	Polk	Mowing - E 14th & Sheridan, Hull	August 7, 2010	6      50.00
	08/16/10	Polk	Mowing - Ure to 21st	August 9, 2010	6      50.00
	08/16/10	Polk	Mowing - Dixon & University	August 10, 2010	8      50.00
	08/16/10	Polk	Mowing - E 18th & Easton	August 11, 2010	8      50.00
	08/16/10	Polk	Mowing - 25th Street	August 12, 2010	4      50.00
	08/16/10	Polk	Mowing - 26th Street	August 12, 2010	4      50.00
	08/16/10	Polk	Mowing - 900 28th St	August 14, 2010	5      50.00
	08/16/10	Polk	Mowing - DOT office	August 16, 2010	4      50.00
					.
	08/26/10	Polk	Mowing - E 17th & Lyon	August 17, 2010	4      50.00
	08/26/10	Polk	Mowing - E 19th & Walker	August 17, 2010	3      50.00
	08/26/10	Polk	Mowing - Dixon & Lyon	August 18, 2010	4      50.00
	08/26/10	Polk	Mowing - E 18th & Maple	August 18, 2010	3      50.00
	08/26/10	Polk	Mowing - DOT office	August 19, 2010	4      50.00
	08/26/10	Polk	Mowing - Univeristy & Dixon (East)	August 19, 2010	4      50.00
	08/26/10	Polk	Mowing - Walker & Penn	August 20, 2010	5      50.00
	08/26/10	Polk	Mowing - E 22nd & Elizabeth	August 20, 2010	2      50.00
	08/26/10	Polk	Mowing - ML King & Atkins	August 23, 2010	7      50.00
	08/26/10	Polk	Mowing - Ure to 21st	August 24, 2010	6      50.00
	08/26/10	Polk	Mowing - 63rd & Winona WDM	August 25, 2010	7      50.00
					.
	09/07/10	Polk	Mowing - DOT office	August 28, 2010	4      50.00
	09/07/10	Polk	Mowing - E 14th & Sheridan - Arthur	August 28, 2010	7      50.00
	09/07/10	Polk	Mowing - 25th Street	August 30, 2010	4      50.00
	09/07/10	Polk	Mowing - 26th Street	August 30, 2010	4      50.00
	09/07/10	Polk	Mowing - 900 28th St	September 4, 2010	5      50.00
	09/07/10	Polk	Mowing - DOT office	September 4, 2010	4      50.00
	09/07/10	Polk	Mowing - 18th & Easton	September 6, 2010	8      50.00
	09/07/10	Polk	Mowing - Dixon & University	September 7, 2010	8      50.00
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
250.00					
100.00					
300.00					
200.00					
300.00					
350.00					
1,500.00	08/10/10	202018	1,500.00	David Weigel	David Weigel
200.00					
300.00					
300.00					
400.00					
400.00					
200.00					
200.00					
250.00					
200.00					
2,450.00	08/26/10	213598	2,450.00	David Weigel	David Weigel
200.00					
150.00					
200.00					
150.00					
200.00					
200.00					
250.00					
100.00					
350.00					
300.00					
350.00					
2,450.00	09/02/10	218241	2,450.00	David Weigel	David Weigel
200.00					
350.00					
200.00					
200.00					
250.00					
200.00					
400.00					
400.00					
2,200.00	09/08/10	222024	2,200.00	David Weigel	David Weigel

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	09/15/10	Polk	Mowing - E 17th & Lyon	September 8, 2010	4    50.00
	09/15/10	Polk	Mowing - Dixon & Lyon	September 8, 2010	4    50.00
	09/15/10	Polk	Mowing - E 18th & Maple	September 9, 2010	4    50.00
	09/15/10	Polk	Mowing - E 19th & Walker	September 9, 2010	3    50.00
	09/15/10	Polk	Mowing - E 22nd & Elizabeth	September 10, 2010	2    50.00
	09/15/10	Polk	Mowing - DOT office	September 10, 2010	4    50.00
	09/15/10	Polk	Mowing - Walker & Penn	September 11, 2010	5    50.00
	09/15/10	Polk	Mowing - Ure to 21st	September 11, 2010	6    50.00
	09/15/10	Polk	Mowing - ML King & Atkins	September 13, 2010	6    50.00
	09/15/10	Polk	Mowing - 63rd & Tonka & Winona	September 14, 2010	7    50.00
	10/07/10	Polk	Mowing - Dixon & University (East)	September 20, 2010	4    50.00
	10/07/10	Polk	Mowing - DOT office	September 20, 2010	4    50.00
	10/07/10	Polk	Mowing - Dixon & University	September 22, 2010	8    50.00
	10/07/10	Polk	Mowing - 18th & Easton	September 21, 2010	8    50.00
	10/07/10	Polk	Mowing - DOT office	September 25, 2010	4    50.00
	10/07/10	Polk	Mowing - E 14th & Sheridan	September 25, 2010	6    50.00
	10/07/10	Polk	Mowing - 25th Street	September 27, 2010	4    50.00
	10/07/10	Polk	Mowing - 26th Street	September 27, 2010	4    50.00
	10/07/10	Polk	Mowing - 900 28th St	September 28, 2010	5    50.00
	10/07/10	Polk	Mowing - E 17th & Lyon	September 29, 2010	4    50.00
	10/07/10	Polk	Mowing - Dixon & Lyon	September 29, 2010	4    50.00
	10/07/10	Polk	Mowing - E 18th & Maple	September 30, 2010	4    50.00
	10/07/10	Polk	Mowing - E 19th & Walker	September 30, 2010	3    50.00
	10/07/10	Polk	Mowing - DOT office	October 2, 2010	4    50.00
	10/07/10	Polk	Mowing - 22nd & Elizabeth	October 2, 2010	2    50.00
	10/07/10	Polk	Mowing - Ure & 21st	October 4, 2010	6    50.00
	10/07/10	Polk	Mowing - 823 Walker & Penn	October 5, 2010	5    50.00
	10/07/10	Polk	Mowing - ML King	October 5, 2010	6    50.00
	10/07/10	Polk	Mowing - 63 & Winona WDM	October 6, 2010	7    50.00
	10/23/10	Polk	Mowing - DOT office	October 9, 2010	4    50.00
	10/23/10	Polk	Mowing - Ure to 21st	October 9, 2010	6    50.00
	10/23/10	Polk	Mowing - 18th & Easton	October 11, 2010	8    50.00
	10/23/10	Polk	Mowing - Dixon & University	October 12, 2010	8    50.00
	10/23/10	Polk	Mowing - 25th Street	October 13, 2010	4    50.00
	10/23/10	Polk	Mowing - 26th Street	October 13, 2010	4    50.00
	10/23/10	Polk	Mowing - 900 28th St	October 16, 2010	5    50.00
	10/23/10	Polk	Mowing - DOT office	October 16, 2010	4    50.00

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
200.00					
200.00					
200.00					
150.00					
100.00					
200.00					
250.00					
300.00					
300.00					
350.00					
2,250.00	09/20/10	234228	2,250.00	David Weigel	David Weigel
200.00					
200.00					
400.00					
400.00					
200.00					
300.00					
200.00					
200.00					
250.00					
200.00					
200.00					
200.00					
150.00					
200.00					
100.00					
300.00					
250.00					
300.00					
350.00					
4,600.00	10/21/10	260053	4,600.00	David Weigel	David Weigel
200.00					
300.00					
400.00					
400.00					
200.00					
200.00					
250.00					
200.00					



Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice						
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres	Rate
	10/23/10	Polk	Mowing - E 18th & Maple	October 18, 2010	4	50.00
	10/23/10	Polk	Mowing - E 19th & Walker	October 18, 2010	3	50.00
	10/23/10	Polk	Mowing - E 17th & Lyon	October 19, 2010	4	50.00
	10/23/10	Polk	Mowing - Dixon & Lyon	October 19, 2010	4	50.00
	11/02/10	Polk	Mowing - E 22nd & Elizabeth	October 25, 2010	2	50.00
	11/02/10	Polk	Mowing - Dixon & University (East)	October 25, 2010	4	50.00
	11/02/10	Polk	Mowing - 18th & Easton	October 26, 2010	8	50.00
	11/02/10	Polk	Mowing - Dixon & University	October 27, 2010	8	50.00
	11/02/10	Polk	Mowing - E 14th & Sheridan	October 28, 2010	6	50.00
	11/02/10	Polk	Mowing - 63rd & Winona WDM	October 29, 2010	7	50.00
	11/02/10	Polk	Mowing - DOT office	October 30, 2010	4	50.00
	11/02/10	Polk	Mowing - Walker & Penn	October 30, 2010	5	50.00
	04/30/11	Polk	Mowing - Ure to 22nd	April 25, 2011	6	50.00
	04/30/11	Polk	Mowing - E 22nd & Elizabeth	April 25, 2011	2	50.00
	04/30/11	Polk	Mowing - 18th & Easton	April 26, 2011	8	50.00
	04/30/11	Polk	Mowing - Dixon & University	April 27, 2011	8	50.00
	04/30/11	Polk	Mowing - 63rd St WDM & Winona	April 28, 2011	7	50.00
	05/06/11	Polk	Mowing - ML King	May 2, 2011	6	50.00
	05/06/11	Polk	Mowing - 823 Walker to Penn and 9th	May 3, 2011	5	50.00
	05/06/11	Polk	Mowing - E 19th & Walker	May 3, 2011	3	50.00
	05/06/11	Polk	Mowing - 900 28th St	May 4, 2011	5	50.00
	05/06/11	Polk	Mowing - 25th Street	May 4, 2011	4	50.00
	05/06/11	Polk	Mowing - 26th Street	May 5, 2011	4	50.00
	05/06/11	Polk	Mowing - Dixon & Lyon	May 5, 2011	4	50.00
	05/06/11	Polk	Mowing - E 17th & Lyon	May 6, 2011	4	50.00
	05/06/11	Polk	Mowing - E 18th & Lyon	May 6, 2011	4	50.00
	05/19/11	Polk	Mowing - E 17th & Lyon	May 14, 2011	4	50.00
	05/19/11	Polk	Mowing - Parking E 16th & 17th &	May 14, 2011	4	50.00
	05/19/11	Polk	Mowing - Dixon & Lyon	May 16, 2011	4	50.00
	05/19/11	Polk	Mowing - 25th Street	May 16, 2011	4	50.00
	05/19/11	Polk	Mowing - ML King	May 17, 2011	6	50.00
	05/19/11	Polk	Mowing - 26th Street	May 18, 2011	4	50.00
	05/19/11	Polk	Mowing - 900 28th St	May 18, 2011	5	50.00

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
200.00					
150.00					
200.00					
200.00					
2,900.00	10/27/10	264966	2,900.00	David Weigel	David Weigel
100.00					
200.00					
400.00					
400.00					
300.00					
350.00					
200.00					
250.00					
2,200.00	11/15/10	277249	2,200.00	David Weigel	David Weigel
300.00					
100.00					
400.00					
400.00					
350.00					
1,550.00	05/04/11	392714	1,550.00	David Weigel	David Weigel
300.00					
250.00					
150.00					
250.00					
200.00					
200.00					
200.00					
200.00					
200.00					
1,950.00	05/11/11	398855	1,950.00	David Weigel	David Weigel
200.00					
200.00					
200.00					
200.00					
300.00					
200.00					
250.00					
1,550.00	05/20/11	405856	1,550.00	David Weigel	David Weigel

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice					
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres      Rate
	05/14/11	Polk	Mowing - Ure to 22nd	May 7, 2011	6 50.00
	05/14/11	Polk	Mowing - E 22nd & Elizabeth	May 7, 2011	2 50.00
	05/14/11	Polk	Mowing - Dixon & University	May 9, 2011	8 50.00
	05/14/11	Polk	Mowing - Dixon & University (East)	May 10, 2011	4 50.00
	05/14/11	Polk	Mowing - 18th to 16th East of Church	May 10, 2011	7 50.00
	05/14/11	Polk	Mowing - 18th & Easton	May 11, 2011	8 50.00
	05/14/11	Polk	Mowing - East 21st & Univ by sign	May 12, 2011	7 50.00
	05/14/11	Polk	Mowing - 63 & Tonka - Winona WDM	May 13, 2011	7 50.00
					.
	05/31/11	Polk	Mowing - Ure to 21st	May 19, 2011	6 50.00
	05/31/11	Polk	Mowing - E 21st by big sign	May 20, 2011	7 50.00
	05/31/11	Polk	Mowing - E 18th & Easton	May 21, 2011	8 50.00
	05/31/11	Polk	Mowing - Dixon & University	May 23, 2011	8 50.00
	05/31/11	Polk	Mowing - E 18th to E 16th East of Church	May 24, 2011	7 50.00
	05/31/11	Polk	Mowing - E 16th to 17th parking	May 25, 2011	4 50.00
	05/31/11	Polk	Mowing - E 17th & Lyon	May 25, 2011	4 50.00
	05/31/11	Polk	Mowing - Dixon & Lyon	May 26, 2011	4 50.00
	05/31/11	Polk	Mowing - E 18th & Maple	May 26, 2011	4 50.00
	05/31/11	Polk	Mowing - E 19th & Walker	May 28, 2011	4 50.00
	05/31/11	Polk	Mowing - E 22nd & Elizabeth	May 28, 2011	2 50.00
					.
	06/13/11	Polk	Mowing - Ure to 21st	June 4, 2011	6 50.00
	06/13/11	Polk	Mowing - E 21st by sign	June 6, 2011	7 50.00
	06/13/11	Polk	Mowing - 18th & Easton	June 7, 2011	8 50.00
	06/13/11	Polk	Mowing - Dixon & University	June 8, 2011	8 50.00
	06/13/11	Polk	Mowing - 18th to 16th East of Church	June 9, 2011	7 50.00
	06/13/11	Polk	Mowing - Parking E 16th to E 17th	June 10, 2011	4 50.00
	06/13/11	Polk	Mowing - E 17th & Lyon	June 10, 2011	4 50.00
	06/13/11	Polk	Mowing - Dixon & Lyon	June 11, 2011	4 50.00
	06/13/11	Polk	Mowing - E 18th & Maple	June 11, 2011	4 50.00
	06/13/11	Polk	Mowing - E 19th & Walker	June 13, 2011	4 50.00
					.
	06/04/11	Polk	Mowing - 63rd - Tonka - Winona	May 31, 2011	7 50.00
	06/04/11	Polk	Mowing - ML King	June 1, 2011	6 50.00
	06/04/11	Polk	Mowing - 25th Street	June 2, 2011	4 50.00
	06/04/11	Polk	Mowing - 26th Street	June 2, 2011	4 50.00
	06/04/11	Polk	Mowing - 900 28th St	June 3, 2011	5 50.00
					.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
300.00					
100.00					
400.00					
200.00					
350.00					
400.00					
350.00					
350.00					
2,450.00	05/20/11	405855	2,450.00	David Weigel	David Weigel
300.00					
350.00					
400.00					
400.00					
350.00					
200.00					
200.00					
200.00					
200.00					
200.00					
100.00					
2,900.00	06/01/11	413191	2,900.00	David Weigel	David Weigel
300.00					
350.00					
400.00					
400.00					
350.00					
200.00					
200.00					
200.00					
200.00					
200.00					
2,800.00	06/23/11	428749	2,800.00	David Weigel	David Weigel
350.00					
300.00					
200.00					
200.00					
250.00					
1,300.00	06/23/11	428742	1,300.00	David Weigel	David Weigel

Report on Special Investigation of the  
Iowa Department of Transportation

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

Per Invoice						
Vendor	Invoice Date	County	Work Performed	Dates of Completion	Number of Hours/Acres	Rate
	06/28/11	Polk	Mowing - ML King	June 14, 2011	6	50.00
	06/28/11	Polk	Mowing - 25th Street	June 15, 2011	4	50.00
	06/28/11	Polk	Mowing - 26th Street	June 15, 2011	4	50.00
	06/28/11	Polk	Mowing - 900 28th St	June 16, 2011	5	50.00
	06/28/11	Polk	Mowing - E 22nd & Elizabeth	June 16, 2011	2	50.00
	06/28/11	Polk	Mowing - 63 & Winona - Tonka WDM	June 17, 2011	7	50.00
						.
	08/12/11	Polk	Mowing - Ure to 21st 2 parcels	July 23, 2011	6	50.00
	08/12/11	Polk	Mowing - 22nd & Elizabeth	July 23, 2011	2	50.00
	08/12/11	Polk	Mowing - E 20th & Ct. by sign	July 25, 2011	7	50.00
	08/12/11	Polk	Mowing - Parking E 16th to E 17th on Lyon	July 25, 2011	4	50.00
	08/12/11	Polk	Mowing - E 17th & Lyon	July 26, 2011	4	50.00
	08/12/11	Polk	Mowing - Dixon & Lyon	July 26, 2011	4	50.00
	08/12/11	Polk	Mowing - E 18th & Maple	July 27, 2011	4	50.00
	08/12/11	Polk	Mowing - E 19th & Walker	July 27, 2011	4	50.00
	08/12/11	Polk	Mowing - E 18th & Easton	July 28, 2011	8	50.00
	08/12/11	Polk	Mowing - Dixon & University	July 29, 2011	8	50.00
	08/12/11	Polk	Mowing - E 18th - E 16th East of Church	July 30, 2011	7	50.00
	08/12/11	Polk	Mowing - 63rd WDM Tonka & Winona	August 1, 2011	7	50.00
	08/12/11	Polk	Mowing - ML King 3 parcels	August 2, 2011	6	50.00
	08/12/11	Polk	Mowing - 25th by sound wall	August 2, 2011	4	50.00
	08/12/11	Polk	Mowing - 26th by sound wall	August 3, 2011	4	50.00
	08/12/11	Polk	Mowing - 900 28th St	August 3, 2011	5	50.00
						.
						.
			Subtotal for Gerald Randleman			.
Jacob Walgenbach						.
	08/01/10	Calhoun	Mowing Weeds - Thistles	July 18-20, 2010	-	-
						.
	08/01/10	Sac	Mowing - Rag weeds along snow	July 15-25, 2010	-	-
	08/01/10	Sac	Mowing - 15 acre pasture thistles	July 15-25, 2010	-	-
	08/01/10	Sac	Mowing - Rough terrain pasture thistles	July 15-25, 2010	-	-
	08/01/10	Sac	Mowing - CRP 30 acres thistles	July 15-25, 2010	-	-
	08/01/10	Sac	Mowing - Extra rag weed along right of way	July 15-25, 2010	-	-
	08/01/10	Sac	Mowing - Sunflowers	July 15-25, 2010	-	-
						.
						.
	10/24/10	Sac	Mowing Weeds West of Hwy 71	Sept. 20-25, 2010	-	-
			Subtotal for Jacob Walgenbach			.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
300.00					
200.00					
200.00					
250.00					
100.00					
350.00					
1,400.00	06/28/11	432366	1,400.00	David Weigel	Mike Jackson
300.00					
100.00					
350.00					
200.00					
200.00					
200.00					
200.00					
200.00					
400.00					
400.00					
350.00					
350.00					
300.00					
200.00					
200.00					
250.00					
4,200.00	08/18/11	469558	4,200.00	Jim Deppe	Mike Jackson
129,099.82			129,099.82		
400.00	08/05/10	199058	400.00	Tom Lind	David Weigel
300.00					
500.00					
600.00					
700.00					
300.00					
300.00					
2,700.00	08/05/10	199063	2,700.00	Tom Lind	David Weigel
2,000.00	11/01/10	268190	2,000.00	Tom Lind	David Weigel
5,100.00			5,100.00		

Payments to Selected Vendors  
For the period January 29, 1994 through July 7, 2011

# - Amount charged included items disallowed by DOT.

Per DOT Payment Voucher					
Amount Due	Voucher Date	Voucher Number	Amount Paid	Ordered By	Supervisor Approval
2,150.00					
1,750.00					
500.00					
4,400.00	06/18/10	171830	4,400.00	David Weigel	David Weigel
2,250.00					
2,000.00					
400.00					
4,650.00	07/15/10	185681	4,650.00	David Weigel	David Weigel
2,500.00					
2,250.00					
500.00					
5,250.00	08/26/10	213583	5,250.00	David Weigel	David Weigel
2,050.00					
2,000.00					
400.00					
600.00					
400.00					
5,450.00	09/20/10	234353	5,450.00	David Weigel	David Weigel
2,050.00					
400.00					
600.00					
400.00					
3,450.00	11/01/10	268101	3,450.00	David Weigel	David Weigel
23,200.00			23,200.00		
\$ 194,759.82			194,759.82		



Report on Special Investigation of the  
Iowa Department of Transportation

Selected Payments Authorized by Dennis Dobson  
For the period January 29, 1994 through July 7, 2011

<b>Date</b>	<b>Voucher Number</b>	<b>Vendor</b>	<b>Description</b>
04/10/09	891901	MidAmerican Energy Company	Residential electric service for 309 N. 38th Street for 3/3/09 - 4/1/09
04/30/09	905633	Black Hills Iowa Gas Utility Company LLC	Residential Gas service for 309 N. 38th Street for 3/5/09 - 4/7/09
05/08/09	910798	MidAmerican Energy Company	Residential electric service for 309 N. 38th Street for 4/1/09 - 4/30/09
05/22/09	918838	Donald K. Blankenship	mowing at 309 N. 38th Street on 4/21/09 & 5/1/09
05/22/09	918710	Black Hills Iowa Gas Utility Company LLC	Residential Gas service for 309 N. 38th Street for 4/7/09 - 5/6/09
06/03/09	925289	Ruth M. Blankenship	mowing at 309 N. 38th Street on 5/8/09 & 5/14/09
06/09/09	928118	MidAmerican Energy Company	Residential electric service for 309 N. 38th Street for 4/30/09 - 6/1/09
06/29/09	941997	Black Hills Iowa Gas Utility Company LLC	Residential Gas service for 309 N. 38th Street for 5/6/09 - 6/5/09
07/09/09	946101	Donald K. Blankenship	mowing at 309 N. 38th Street on 5/21/09, 5/28/09, 6/18/09 & 6/26/09
07/09/09	946117	Ruth M. Blankenship	mowing at 309 N. 38th Street on 6/4/09 & 6/11/09
07/15/09	952042	Black Hills Iowa Gas Utility Company LLC	Residential Gas service for 309 N. 38th Street for 6/5/09 - 7/7/09
07/15/09	952039	MidAmerican Energy Company	Residential electric service for 309 N. 38th Street for 6/1/09 - 6/30/09
08/18/09	973942	Ruth M. Blankenship	mowing at 309 N. 38th Street on 7/3/09, 7/10/09 & 7/16/09
08/18/09	973930	Donald K. Blankenship	mowing at 309 N. 38th Street on 7/23/09 & 7/30/09
08/26/09	981228	Ruth M. Blankenship	mowing at 309 N. 38th Street on 8/6/09 & 8/12/09
08/27/09	982357	Council Bluffs Water Works	Residential Water and Sewer Service for 309 N. 38th Street for 3/3/09 - 8/10/09
08/28/09	983287	Black Hills Iowa Gas Utility Company LLC	Residential Gas service for 309 N. 38th Street for 7/7/09 - 8/7/09
08/28/09	983290	MidAmerican Energy Company	Residential electric service for 309 N. 38th Street for 6/30/09 - 7/29/09
09/03/09	987116	MidAmerican Energy Company	Residential electric service (309 N. 38th Street, Council Bluffs) for 7/29/09 - 8/27/09
09/04/09	988305	Donald K. Blankenship	mowing at 309 N. 38th Street on 8/19/09 & 8/28/09
09/16/09	993383	Donald K. Blankenship	mowing at 309 N. 38th Street on 8/28/09 & 9/9/09
09/16/09	993411	Black Hills Iowa Gas Utility Company LLC	Residential Gas service for 309 N. 38th Street for 8/7/09 - 9/4/09
09/16/09	993445	MidAmerican Energy Company	Residential electric service for 309 N. 38th Street for 8/27/09 - 9/1/09
10/06/09	9040	Donald K. Blankenship	welding (parts and labor)
10/06/09	9008	MidAmerican Energy Company	Residential electric service for 309 N. 38th Street for 9/1/09 - 9/28/09
10/06/09	9127	Donald K. Blankenship	materials and labor for installing gas stove in 309 N. 38th Street
Total			.

<b>Amount</b>	<b>Ordered By</b>	<b>Approved by</b>	<b>Date of Approval</b>
\$ 22.27	Dennis "Red" Dobson	David Weigel	04/10/09
68.67	Dennis "Red" Dobson	Nancy Halvorson	05/01/09
44.23	Dennis "Red" Dobson	Nancy Halvorson	05/11/09
80.00	Dennis "Red" Dobson	David Weigel	05/22/09
50.94	Dennis "Red" Dobson	David Weigel	05/22/09
80.00	Dennis "Red" Dobson	Nancy Halvorson	06/04/09
66.63	Dennis "Red" Dobson	David Weigel	06/09/09
21.38	Dennis "Red" Dobson	Nancy Halvorson	06/29/09
160.00	Dennis "Red" Dobson	Nancy Halvorson	07/09/09
80.00	Dennis "Red" Dobson	Nancy Halvorson	07/09/09
20.52	Dennis "Red" Dobson	Nancy Halvorson	07/16/09
77.62	Dennis "Red" Dobson	Nancy Halvorson	07/16/09
120.00	Dennis "Red" Dobson	David Weigel	08/18/09
80.00	Dennis "Red" Dobson	David Weigel	08/18/09
80.00	Dennis "Red" Dobson	David Weigel	08/27/09
39.42	Tom Lind	-	-
20.05	Dennis "Red" Dobson	David Weigel	08/28/09
66.05	Dennis "Red" Dobson	David Weigel	08/28/09
85.14	Tom Lind	-	-
80.00	Dennis "Red" Dobson	Nancy Halvorson	09/04/09
80.00	Dennis "Red" Dobson	Nancy Halvorson	09/17/09
19.81	Dennis "Red" Dobson	Nancy Halvorson	09/17/09
7.53	Dennis "Red" Dobson	David Weigel	09/17/09
82.25	Dennis "Red" Dobson	Nancy Halvorson	10/06/09
64.08	Dennis "Red" Dobson	Nancy Halvorson	10/06/09
78.91	Dennis "Red" Dobson	Nancy Halvorson	10/06/09
<u>\$ 1,675.50</u>			

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Report on Special Investigation of the  
Iowa Department of Transportation

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director  
Melissa J. Knoll-Speer, Senior Auditor II  
Kassi D. Adams, Staff Auditor  
Russell G. Jordan, CPA, Staff Auditor

A handwritten signature in black ink, reading "Tamera S. Kusian". The signature is written in a cursive style with a large, stylized 'T' and 'K'.

Tamera S. Kusian, CPA  
Deputy Auditor of State

## **Appendices**

Report on the Special Investigation of the  
Iowa Department of Transportation

Copy of Letter Requesting Investigation

Received 7-7-11  
5:20 pm JRB



**Iowa Department of Transportation**

800 Lincoln Way, Ames, Iowa 50010

515-239-1111

FAX: 515-239-1120

July 7, 2011

The Honorable Terry E. Branstad  
Governor  
State Capitol  
1007 East Grand Ave.  
Des Moines, IA 50319

Dear Governor Branstad:

Recently, information was brought to my attention concerning certain irregularities which appear to have been engaged in by a DOT employee in the department's Office of Right of Way. The employee in question was placed on administrative leave and has resigned.

The irregularities concern matters involving real estate transactions to which the DOT was a party. For example, in violation of DOT policy, the employee entered into a crop-share lease with a farmer for row crops on DOT property being held for future highway needs. Later, in October 2010, the employee received a check from the farmer made payable in the employee's surname followed by the word "Properties" for \$16,680.25. The farmer who planted the beans has confirmed the check was tendered to the employee for the employee's share of the proceeds from the beans grown upon the DOT property.

In addition, a review by DOT staff indicates a sale was attempted of property no longer needed by DOT for highway purposes for \$3,000 even though the property was appraised at \$70,000. Plus, this transaction was pursued despite the fact there were bids obtained, as provided by law, from other potential buyers that were considerably higher than the putative purchase price of \$3,000. It appears in connection with this matter the employee altered DOT records and caused the appraisal to be omitted from DOT's file concerning this parcel.

Report on the Special Investigation of the  
Iowa Department of Transportation

Copy of Letter Requesting Investigation

The Honorable Terry E. Branstad  
Page 2  
July 7, 2011

Moreover, the same employee recently attempted to sell 19.19 acres of land no longer needed by DOT for \$2,000 (a little more than \$100 per acre). This attempted sale is what resulted in a review of this employee's activities. It was learned, for example, the employee attempted to sell the 19.19 acre parcel to the same individual who had earlier attempted to purchase the real estate referenced above for \$3,000 (the parcel that had been appraised at \$70,000).

Given the above, I am writing you to ask that you request the Office of Auditor of State and the Attorney General's Office to open an investigation of these transactions, along with the investigation, as may be deemed warranted, of any other transactions or activities in which this employee played a role in the course of his employment at DOT. I am concerned there may, in fact, have been criminal activity committed in the course of these real estate-related transactions. Hence, I believe a formal investigation by state authorities with expertise in the audit of financial transactions is warranted.

If you would have your office contact me directly, I can make arrangements to furnish additional information regarding this matter, including the identity of the employee at issue.


Sincerely,



Paul Trombino III, P.E.  
Director

Report on the Special Investigation of the  
Iowa Department of Transportation

Copy of Checks for Property Sold to Anthony and Brandon Wood

GRADY MARX FARM ACCOUNT SIOUX CITY, IA 51108		12/15/10 Date	1741 41-7581/2738 000001
Pay to the Order of <u>WEIGEL PROPERTIES</u>		\$ <u>100,000.00</u>	
<u>One hundred thousand and 00/100</u>		Dollars	 SECURITY FEATURE: Call back on 1-800-800-0000
<b>Midwest</b> COMMUNITY CREDIT UNION 2723 Quaker Drive North Sioux City, IA 51104		<u>Grady Marx</u> MP	
For _____		1741	
CLIENT			
SiteID:0 ProcDate:12/20/2010 CapturDate:11/30/1999 MfilmSeqNum:0 ItemSeqNum: [REDACTED] TracerNum:1317512 SerialNum:1741 TrRoutNum: [REDACTED] TransCode:0 AccountNum: [REDACTED]			

[REDACTED] 001	<u>Spencer Daily</u>
PTSB - Grand [REDACTED]	
PTSB - Grand Jun [REDACTED]	
2010-12-20 [REDACTED]	
SiteID:0 ProcDate:12/20/2010 CapturDate:11/30/1999 MfilmSeqNum:0 ItemSeqNum: [REDACTED] TracerNum:1317512 SerialNum:1741 TrRoutNum: [REDACTED] TransCode:0 AccountNum: [REDACTED]	

Report on the Special Investigation of the  
Iowa Department of Transportation

## Copy of Checks for Property Sold to Anthony and Brandon Wood

Page 1 of 1

WOOD & SONS INC.  
72-1885-739 1367  
Date 12-16-10  
RUDD, IA 50471  
Pay To Grady Marx \$ 200,000  
The Order Of Two hundred thousand & 00/100 Dollars  
FARMERS TRUST & SAVINGS BANK  
Tel. 712-262-3340  
Spencer, Iowa 51301  
For Tony Wood  
1367

FOR DEPOSIT ONLY  
ACCT. NO. [REDACTED]  
ADVEST COMMUNITY  
CREDIT UNION  
08062817468  
12/17/10  
SECURITY NATIONAL BANK  
SIOUX CITY, IOWA  
Grady Marx  
Deposit Only

Serial:1367 Amount:\$200,000.00 Date:12-17-2010



Report on the Special Investigation of the  
Iowa Department of Transportation

## Copy of Checks for Property Sold to Anthony and Brandon Wood

FIRM PREVIEW

Page 1 of 1



Stops - Images - Search®

Image  
Image Front:

WOOD & SONS INC.  
RUDD, IA 50471  
Pay To: *Iowa D.O.T.*  
The Order Of: *Six hundred Fifty One Thousand Three hundred Fifty Dollars*  
Date: *12-16-10* 72-1005-709 *1377* 1366  
\$165,340.00  
FARMERS TRUST & SAVINGS BANK  
Tel: 712-625-3340  
Spencer, Iowa 51301  
For: *Tony Wood*  
1366

Image Back:

## Item Details

## Deposit Details

Routing Number: 07300022  
Transaction Type: CreditAccount Number/Account Name: [REDACTED] Treasurer SOI  
Amount: 661,563.47  
Type Code/Description: 301/COMMERCIAL DEPOSIT  
Posting Date: 12/22/2010  
Item Sequence Number: 5450025037

## Deposited Item Details

Maker Routing Number: 07391885  
Maker Serial Number: 001366  
Deposited Item Amount: 661,340.00

Item Sequence Number: 5450025051

Privacy, Security & Legal  
©Copyright 2002 - 2013 Wells Fargo. All rights reserved.[https://wellsuite.wellsfargo.com/sps/IvuControllerServlet?EVENT\\_ID\\_TYPE=26&IVU\\_I...](https://wellsuite.wellsfargo.com/sps/IvuControllerServlet?EVENT_ID_TYPE=26&IVU_I...) 1/17/2013

**Report on Special Investigation of the  
Iowa Department of Transportation**

Report on Special Investigation of the  
Iowa Department of Transportation

Copy of Independent Appraisal and Bid Tabulation Form

FRANDSON & ASSOCIATES, L.C.

COMMERCIAL REAL ESTATE APPRAISAL AND CONSULTING

ed R. Frandson, MAI, CCIM

Kirk S. Welker

Tom P. Dowhan

Joseph M. Coffey

Kevin W. Kerns

Don R. Vaska

July 30, 2010

Iowa Department of Transportation  
Mr. David Wiegel  
Office of Right of Way  
800 Lincoln Way  
Ames, IA 50010

Subject: DOT Excess Land

Acquired from [REDACTED] & [REDACTED]

Highway 65 and Shadyview Boulevard

Project F-500-1(20) -20 -77

Parcel Number 4

Des Moines, Iowa

Dear Mr. Wiegel:

At your request, I have on July 8, 2010, inspected the above described property. The legal description is found in the Summary section of this report.

The purpose of the inspection and appraisal is to estimate the market value of the fee simple interest of the above described property as of July 8, 2010. The intended use of this appraisal is for disposition purposes. The client and intended user of this appraisal is the Iowa Department of Transportation.

The subject of this appraisal is a tract of vacant land located in Pleasant Hill, east of Highway 65 and adjacent to Shadyview Blvd. The property is approximately 5.709 acres.

Based on the analysis summarized in this report, the estimated market value of the fee simple interest of the subject property, as of July 8, 2010, is:

SEVENTY THOUSAND DOLLARS  
\$70,000

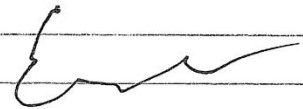


Report on Special Investigation of the  
Iowa Department of Transportation

## Copy of Value Opinion and Bid Tabulation Form

value of in  
Nov. 1, 2010Pa 119  
FN-500.1(20) 20-77  
par 4

This is a .5.82 ac parcel  
on the eastside of Hwy 65  
the westside is very irregular  
the parcel is cut in the middle  
by a very large ditch a  
minimum value of \$3000.00 seems  
to be in a very reasonable  
range \$3000.00 value.





**Report on Special Investigation of the  
Iowa Department of Transportation**

Report on Special Investigation of the  
Iowa Department of Transportation

Copy of Letter from Grady Marx to DOT

Martin J. Sankey  
Iowa Department of Transportation  
800 Lincoln Way  
Ames, Iowa 50010

7/19/11

Dear Mr. Sankey

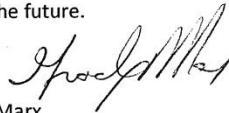
I received your letters today and I agree with the findings of the DOT on Parcel #2 as I told you on the phone I knew it was a mistake when the bid sheet arrived as the description was not the same as what I was told. The bid was the minimum for the reason someone who wanted the property would bid a real value or the system would pick up on an excessively low bid. I will accept the check and close the matter.

Parcel #4 is a different issue. As I understand this piece was first offered to the original owner and they declined, then put out for bid and your office did not accept the bids and it was put out for bid again with no interest shown. It was at this time I sent in my bid and sometime after that I received a letter from your department for the information to be put on the Patent. I was informed the patent was being signed and I should receive it soon. This is the first I realized that you reneged on a final sale.

I am returning your check and expect my patent be sent. As you know Iowa code 306 was followed and my accepted bid is valid. I have confidence you will do the right thing by sending me the patent already issued and not put me in the middle of your inter office issues.

I have done a lot with the DOT over the past 20 or so years and plan to be involved in other opportunities in the future.

Sincerely Grady Marx



7/19/11

Sioux City Ia. 51106

Do.



Report on Special Investigation of the  
Iowa Department of Transportation

Copies of Checks Related to Sale of Property to Lee and Karen Judge

<b>PEOPLES BANK</b> TRUST & SAVINGS ADEL • GRAND JUNCTION • GUTHRIE CENTER JEFFERSON • RIPPEY • SCRANTON IOWA		1	028278
REMITTER TODD RUETER	DATE	10/04/06	72-1921/739 2061050
PAY TO THE ORDER OF	IOWA DEPARTMENT OF TRANSPORTATION	\$	10,000.00
TEN THOUSAND and 00/100ths US Dollars			DOLLARS
THIS DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE, WATERMARK AND A THERMOCHROMIC ICON; ABSENCE OF THESE FEATURES WILL INDICATE A COPY			
<b>CASHIER'S CHECK</b>		Over \$1,000 Requires 2 Signatures	
		Susan G. Clark Heather S. Crighton	
		500	

Report on Special Investigation of the  
Iowa Department of Transportation

Copies of Checks Related to Sale of Property to Lee and Karen Judge

DAVID P. WEIGEL  
BARBARA L. WEIGEL  
NEVADA, IA 50201

2635  
72-7036/2739

12/14/06 DATE

PAY TO THE ORDER OF Todd Queters \$ 10,000.00

Ten thousand & no/100 DOLLARS

Infinity Checking

First Federal Savings Bank  
OF IOWA  
www.firstfedbank.com

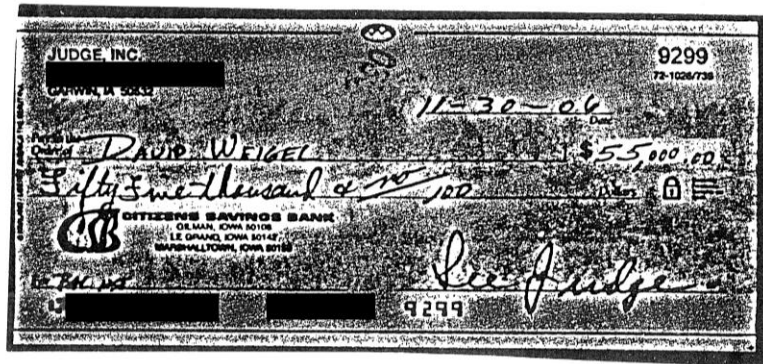
FOR [REDACTED] "02635" "0001000000"

ENTRUSTED TO THE CUSTODY OF THE IOWA DEPARTMENT OF TRANSPORTATION

87702100, 2635, 20001835306 \$10,000.00,

Report on Special Investigation of the  
Iowa Department of Transportation

Copies of Checks Related to Sale of Property to Lee and Karen Judge



Report on Special Investigation of the  
Iowa Department of Transportation


Copies of Checks Related to Sale of Property to Lee and Karen Judge

JUDGE, INC.  
GARWIN, IA 50632

9298  
72-1026/739

11-30-06 Date

Pay to the Order of Iowa DEPT. OF TRANSPORTATION \$ 70,000.00  
Seventy thousand & no/100 Dollars

 **CITIZENS SAVINGS BANK**  
GILMAN, IOWA 50108  
LE GRAND, IOWA 50142  
MARSHALLTOWN, IOWA 50158

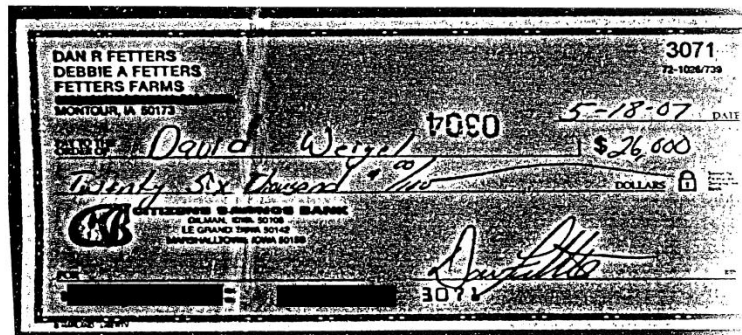
For HOUSE PT 1171 MAY 30

Lee Judge MP

9298

Report on Special Investigation of the  
Iowa Department of Transportation

Copies of Documents Related to Sale of Property to Dan and Debbie Fetters



Report on Special Investigation of the  
Iowa Department of Transportation

Copies of Documents Related to Sale of Property to Dan and Debbie Fetters

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***DILLON LAW, P.C.***

---

Patrick B. Dillon  
107 South Railroad Street  
Sumner, Iowa 50674  
Phone: 563-578-1850 ~ Fax: 563-578-1312  
[patdillon@50674law.com](mailto:patdillon@50674law.com)

January 3, 2007

Iowa Department of Transportation  
Property Management  
800 Lincoln Way  
Ames, IA 50010

RE: Land Sale on US 30 in Tama County Iowa

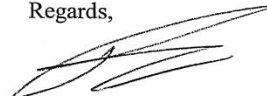
To whom it may concern:

I represent TOD, LLC who has recently acquired via affidavit the Iowa Code §306.23 preference of sale rights from Double L Farms Co. It is our understanding that you intend to sell this property and have assigned a fair market value of \$59,000.00.

We wish to proceed with this transaction at this price at your earliest convenience. Please forward the necessary paperwork to the above address. Understand we retain the right of further assignment and/or taking title to the property in the name of a 3<sup>rd</sup> party should it become necessary for business purposes.

Thank you for your assistance with this matter.

Regards,



Patrick B. Dillon

Report on Special Investigation of the  
Iowa Department of Transportation

Copies of Documents Related to Sale of Property to Dan and Debbie Feters

---

***DILLON LAW, P.C.***

Patrick B. Dillon  
107 South Railroad Street  
Sumner, Iowa 50674  
Phone: 563-578-1850 ~ Fax: 563-578-1312  
[patdillon@50674law.com](mailto:patdillon@50674law.com)

May 15, 2007

Iowa Department of Transportation  
Property Management, David Weigel  
800 Lincoln Way  
Ames, IA 50010

RE: Land in Tama County along Highway 30

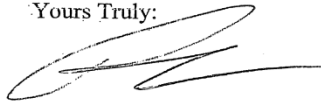
Dear Mr. Weigel:

Pursuant to an affidavit sent to you granting TOD, LLC the right to purchase a 23+/- acre parcel of land in Tama County, we hereby transfer the above mentioned right.

Please close this transaction at your earliest convenience to Dan Fetter and Debbie Fetter, husband and wife as joint tenants with full right of survivorship and not as tenants in common.

I thank you for your assistance with this matter.

Yours Truly:



Patrick Dillon  
Dillon Law Firm

Report on Special Investigation of the  
Iowa Department of Transportation

Copies of Documents Related to Sale of Property to Dan and Debbie Fetters

**From:** "Stephen J. Banks" [REDACTED]  
**To:** Melissa Knoll-Speer [REDACTED]  
**Date:** 2/8/2013 9:04 AM  
**Subject:** Re: TOD LLC Interview

Melissa,

I have reviewed the attached letters and email and as I indicated when you called, frankly I don't remember this transaction and I am hesitant to speculate as to specifics. If those letters were sent by Pat Dillon, I am sure he acted as I had instructed him as my attorney. The only way I ever acquired any 306.23 rights was to send a letter requesting a former owner to sign an affidavit. Since TOD LLC never took title to any property, and this was all several years ago, I really haven't given it any thought till now and as nothing ever came of TOD LLC I just let it dissolve years ago. Perhaps due the asking price, I may not have been able to borrow the money for a 23 acre piece of land and assigning this right to someone else was a way out. I know a couple of times during this period, my eyes were bigger than my stomach and I entered into contracts to purchase farms but was unable to obtain a loan to close the transaction. Being denied for loans were not pleasant experiences and I really have tried to move on past this.



Report on Special Investigation of the  
Iowa Department of Transportation

Copy of Documents Obtained from Clarence "Chub" Myers

April 6, 2010

Clarence (Chub) Myers

Nevada, IA 50201

Dear Chub:

Why don't we wait for you to pay on the 2010 crop year until we see how your crops are turning out. I am returning your check for you to destroy.

We'll talk later in the year regarding the payment.

Lease Coordinator Joni Nyguard is retiring, so call me directly at 515-239-1550.


Thanks,

David Weigel  
Property Management Production Coordinator  
Iowa DOT



Report on the Special Investigation of the  
Iowa Department of Transportation

Copy of Check to Weigel Properties from Jacob Walgenbach

JACOB OR JOELL WALGENBACH		1791
GRANVILLE, IA 51022		76-1408/1049
Date <u>10/10/10</u>		
Pay to the Order of	Weigel Properties	\$ 16,680. <sup>25</sup>
Sixteen thousand six hundred eighty dollars <sup>25</sup> / <sub>100</sub>		
 <b>Farm Credit Services of America</b> 5015 South 118th Street, Omaha, NE 68137 Washington County Bank, Blair, NE Payable Through: First National Bank, Omaha NE (1840) For inquiries call: 482-348-3234		
For	<u>Jacob Walgenbach</u>	
1:	1791	
SiteID:0 ProcDate:10/15/2010 CapturDate:11/30/1999 MfilmSeqNum:0 ItemSeqNum: TracerNum:1317512 SerialNum:1791 TrRoutNum:		

PTSB - Grand PTSB - Grand Jun 2010-10-15 083970963		<i>Deposit only</i>
SiteID:0 ProcDate:10/15/2010 CapturDate:11/30/1999 MfilmSeqNum:0 ItemSeqNum: TracerNum:1317512 SerialNum:1791 TrRoutNum:		

Report on the Special Investigation of the  
Iowa Department of Transportation

Copies of Checks to David Weigel from Grady Marx

Front Image

GRADY MARX  
FARM ACCOUNT  
SIOUX CITY, IA 51108

1704  
41-7591/2739  
000001

7/22/10 Date

Pay to the Order of DAVID WEIGEL \$3367.<sup>50</sup>

Three thousand three hundred sixty-seven and 50/100 Dollars

Midwest  
COMMUNITY CREDIT UNION  
2728 Outer Drive North  
Sioux City, IA 51104

For: SEED & FEED. Grady Marx

1704

Account Number	[REDACTED]	Routing Number	[REDACTED]
Amount	\$3,367.50	OF6	0
Post Date	20100726	Serial Number	1704
Sequence Number	27327453	Tran	0

Back Image

1st Fed Sav Bank of IA  
> [REDACTED] < 2010-07-24  
027327453 Nevada

Report on the Special Investigation of the  
Iowa Department of Transportation

Copies of Checks to David Weigel from Grady Marx

Front Image

GRADY MARX  
FARM ACCOUNT  
SIOUX CITY, IA 51106

1715  
41-7581/2739  
000001

030 8/31/10 Date

Pay to the Order of DAVID WEIGEL \$ 4350.00

Four thousand three hundred fifty and 00/100 Dollars

**Midwest**  
CREDIT UNION  
2729 Outer Drive North  
Sioux City, IA 51104

For 1/2 Mowing Top Grady Marx

1715

Account Number	[REDACTED]	Routing Number	[REDACTED]
Amount	\$4,350.00	OF6	0
Post Date	20100907	Serial Number	1715
Sequence Number	53206108	Tran	0

Back Image

1st Fed Sav Bank of IA  
2010-09-04  
053206108 Nevada

*Grady Marx*

Report on the Special Investigation of the  
Iowa Department of Transportation

Copies of Checks to David Weigel from Grady Marx

GRADY MARX  
FARM ACCOUNT  
SIOUX CITY, IA 51106

1728  
41-7591/2739  
0000001

0240 10/27/10 Date

Pay to the Order of DAVE Weigel \$10947.50

Ten thousand nine hundred forty-seven and 50/100 Dollars

**Midwest**  
COMMUNITY CREDIT UNION  
2729 Outlet Drive North  
Sioux City, IA 51104

For Mowing J. Hockley

1728

TR [REDACTED] Account: [REDACTED] Check Number: 1728 Amount: \$10,947.50 Sequence: 8170892 TR: 273975917 Pocket: 0 Run: 20 Return  
ode:- Date: 11/01/2010

1st Fed Sav Bank of IA  
[REDACTED] < 2010-10-29  
083395400 Ames

*[Signature]*